IN THE UNITED STATES DISTRICT COURT FOR THE

WESTERN DISTRICT OF PENNSYLVANIA

WRS, INC. d/b/a WRS MOTION PICTURE LABORATORIES, a corporation,	)	CIVIL DIVISION
	)	No.: 00-CV-2041
Plaintiff,	)	
	)	JUDGE WILLIAM L. STANDISH
v.	)	
PLAZA ENTERTAINMENT, INC., a corporation, ERIC PARKINSON, an individual, CHARLES VON BERNUTH, JOHN HERKLOTZ, an individual,	)	
Defendants.	)	

AFFIDAVIT OF JOHN HERKLOTZ

STATE OF CALIFORNIA

COUNTY OF ORANGE

Before me, the undersigned authority, a Notary Public in the State of California, County of Orange, personally appeared John Herklotz, who being duly

EXHIBIT
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sworn according to law deposes and says that he makes the following Affidavit upon personal knowledge:

I. Introduction—Biographical and Professional Information

1. I, John Herklotz, am one of the Defendants in the above-captioned case; and, I am over the age of 18 years old and competent to make this Affidavit.

2. I reside in Laguna Woods Village, California.

3. I am semi-retired, devoting most of my time and resources to charities (Exhibit 1).

4. I have personal knowledge of the facts stated herein and am qualified to respond to the claims and allegations regarding records kept, or not kept, by Plaintiff, WRS d/b/a WRS Motion Picture and Video, and I have been a CPA for 55 years and continue to maintain my membership in the Illinois Society of CPA's and American Institute of CPA's. During my employment by the Chicago Tribune in the 1960's, I was responsible for 7 accounting departments, including credits and collections, which comprised approximately 25 employees.

II. WRS Should Not Have Extended Credit to Plaza in April of 1998

5. At the time credit was extended, Plaza was already behind over one year per WRS's own schedules of invoices dated March 31, 1998, August 31, 1998, and November 30, 1999 invoices to Plaza (Exhibits 2, 3, and 4). Instead of collecting on a timely basis from Plaza, WRS established a $1,500,000 credit limit (Exhibit 5) at which time the amount due from Plaza at August 31, 1998 was $720,679, of which 79% or

$570,865, was "over 90 days past due." Also, Plaza's check for $40,000 had bounced (Exhibit 6).

III. WRS Should Not Have Continued to Extend Credit to Plaza

6. WRS should not have continued credit based on past experiences and the knowledge that Central deVideo was not being paid and was threatening suit. Central filed suit for approximately $190,000 on January 5, 1999.

IV. Issues Pertaining to Lock Box Arrangements

7. Although the Services Agreement of October 12, 1998 provided for a lock box in which the first check deposited on July 16, 1999 (some nine months later) for only $956.96, apparently there were other lock boxes, including:

a. WRS's own lock box, PI 360043, National Bank of Canada, which could have been used for Plaza's collections in April of 1998 prior to my guaranty, and;

b. Lockbox 1417700892 which apparently was established with the Bank of America on or around August 10, 1998 (Exhibit 7).

8. WRS was extremely remiss in not getting monies sent to Plaza deposited in a lock box by merely printing a statement such as the following on Plaza's invoices:

> *"Please make your check payable to Plaza Entertainment, Inc. and mail to Box No. ____________, at ________Bank."*

V. Issues Pertaining to the Services Agreement

9. Exhibit 8 is a copy of a Services Agreement between WRS, Plaza and its principals, Eric Parkinson, Charles von Bernuth and Thomas Gehring dated October 12, 1998. On Page 5 of the Services Agreement, Thomas Gehring was listed to be a signer.

10. Exhibit 9 is a fax that Tom Gehring sent to Eric Parkinson apparently on October 15, 1998 suggesting "that the individuals do not sign it" and apparently WRS agreed to the Services Agreement even though Gehring, as a 25% stockholder and director of Plaza, refused to sign it. During 1997 and 1998, Gehring represented me as a plaintiff in a suit against Santa Monica Pictures.

11. For just the period of January 1 through July 31, 1998, Jenkins & Gilchrist had billed $28,994.97 to American Happenings and were sending the monthly invoices to Charles von Bernuth. Charles von Bernuth did not send me copies of Jenkins & Gilchrist's invoices from August, 1998 through November, 1998; and I was surprised to learn that the outstanding balance was in excess of $100,000, of which two invoices (Nos. 566880 an 590576) totaled $90,255 and Jenkins & Gilchrist's balance as of 12/07/98 was $117,908 (Exhibit 10). This was at the same time Jenkins and Gilchrist was representing Plaza and its directors and shareholders, in negotiations with WRS regarding the Services Agreement.

12. In December, 1998, Jenkins and Gilchrist advised me to settle with Santa Monica Pictures for $125,000 and that settlement checks be sent to them until the account was paid off.

VI. The Schneider Downs Report

13. During our initial meeting on May 15, 2006 with Tom Claassen and John Briggs of Schneider Downs and Thomas Reilly and Jack Napor of WRS, Tom Claassen indicated that the scope of their examination would entail an examination of Plaza's financial records and tax returns and tracing WRS's billings to Plaza to Plaza's billings to customers.

14. In their examination of Plaza's records, the only procedure that they followed through on was tracing open items on WRS's accounts receivables listing to accounts payable per Plaza's records. This tracing showed an inability by Schneider Downs to trace 44% of WRS's invoices to Plaza's accounts payables. (Schneider Downs Exhibit "C").

15. As far as Schneider Downs' examination of WRS records, it is my opinion, with a reasonable degree of certainty upon application of commonly accepted accounting principles and practices, that such examination flawed in that:

a. Schneider Downs provided principally a mechanical function tracing documents provided by WRS (which were purported to be open accounts receivable items as on 12/31/00) to a computer listing totaling $1,270,683.34; not the $1,324,841.11.

b. Schneider Downs sampled 40 transactions to "recalculate" the invoices based on quantity and cost per item for mathematical accuracy". Schneider Downs claims their sample includes "the 10 largest sales transactions, 20 random sales transactions and 10 random finance transactions". Whereas their Exhibit A shows 20 largest sales, 19 random and 11 finance transactions.

c. Schneider Downs reviewed records pertaining to the National Bank of Canada Lock Box and traced 65 deposits totaling $60,476 (less than 5% of the purported $1,270,683.27 A/R balance at 12/31/00).

i). Schneider Downs' initial draft dated 8/29/06, indicated that they were unable to trace 18 deposits of the 65 total deposits traced to NBC from April, 1998, through December.

ii). In their final report (5 weeks later) Schneider Downs traced 11 of the 18 reducing the untraceable units to 7, of the 7, one is the $25,000 deposit on 7/20/00.

d. Exhibit C is a list of WRS invoices that Schneider Downs attempted to trace to Plaza's accounts payable. Of the 73 invoices, Schneider Downs was able to trace only 41 (56%) to Plaza's payables.

16. There are a number of significant "red flags" in the material that Schneider Downs apparently ignored or failed to comment on:

a. WRS's credit policies;

b. Allowing Plaza to run up over $1 million in unpaid bills;

c. Plaza's $100,000 undeposited check dated 6/29/99 to WRS (Exhibit 11).

d. Apparently, per WRS's records and checks furnished by WRS, only 5 checks were sent from Plaza to WRS during 1998—one of them ($10,000) to pay on account for Bread & Water and a $40,000 check that bounced.

VII. WRS Billings

17. Exhibit 12 of this Affidavit is a worksheet that I prepared to analyze the "open" items regarding the WRS balance due from Plaza through November 29, 1999. Note that WRS shows no open items from January 13, 1998 through March 18, 1999 although WRS did purport to produce videos during that period of time. In addition, columns 1 and 2 on the worksheet show total of $140,250 for open items as of 3/31/98 for which WRS has furnished invoices on November 27, 2006 for which no copies of checks have been provided with the exception of only 5 checks for 1998 and a $100,000 uncashed check that I discovered in WRS's files.

VIII. WRS's Inability to Reconcile Their Own Records

18. I made an attempt to break down WRS's open charges by title, but was unable to balance my figures with Jack Napor's Affidavit in Support of WRS's Motion for Summary Judgment as to Damages which showed a total of $1,324,841.61 (Paragraph 16 of Napor Affidavit). The problems included:

a. Failure to include Page 1 of the Receivables Management Report in the Complaint;

b. No chronological sequence of open items, for example, Page 4 of their 9/13/05 report

i. Starts with an item dated 3/1/01;

ii. Then 3 items for 1998;

iii. 15 items for 1999; and

iv. 1 item for 2001; and 7 items again for 1999, and;

c. A number of items were not identified. A request was made of Jack Napor for WRS to provide a reconciliation, but WRS was unable to do so even after 3 attempts (Exhibit 13).

IX. Background Information on Plaza Entertainment, Inc.

19. I am familiar with some of the relationship between WRS and Plaza Entertainment during 1998 and have gained knowledge of previously unknown information through certain documents recently provided to me by WRS.

20. I met Eric Parkinson when Mr. Parkinson worked for Hemdale Entertainment.

21. Hemdale, headed up by John Daly, went bankrupt, and Eric Parkinson formed Plaza with Gordon Granger, a resident of Austin, Texas, providing the funds. Daly later was a founder of Entertech Entertainment.

22. Granger wanted to terminate his relationship with Plaza in the latter part of 1997.

23. I was looking for video distribution for "The Giant of Thunder Mountain" a motion picture that I financed.

24. Based on Parkinson's representations that Plaza could sell in excess of $10,000,000 in videos (Exhibit 14), I:

a. Agreed to buy Granger's 50% interest (100 shares) for $100,000;

b. Advanced $125,000 as of December 31, 1997 (Exhibit 15).

c. Gave 20 shares to Thomas Gehring and Charles von Bernuth (10 shares, or 5% of Plaza's stock, to each) on December 31, 1997.

d. Sold/gifted my remaining shares (80) to Gehring and von Bernuth (40 shares each) on March 1, 1998 at a price of $10,000 each and gifted them back the $10,000.

e. Plaza's stock ownership on March 1, 1998 was

Parkinson	50%
Gehring	25%
Von Bernuth	25%
	100%

Although Gehring claims that he sold his 25% to von Bernuth for only $1.00. On January 1, 1999 (4 days before Central deVideo filed a lawsuit against Plaza), Gehring's letter of January 20, 1999, indicates that he was "silent shareholder" at that time. Charles von Bernuth presumably later sold his 50% to Parkinson on December 31, 1999.

f. Tom Gehring and Charles von Bernuth became directors of Plaza on March 28, 1998 (Exhibit 16).

25. I loaned Plaza an additional $322,000 during the month of January 1998.

26. In addition, I advanced $950,000 from my CRAT, for a total of $1,397,000.

27. Plaza (Parkinson, Gehring and von Bernuth) engaged the services of WRS and Central deVideo for Giant of Thunder Mountain's anticipated pre-order date of April 21, 1998 and street date of May 12, 1998. However, such orders were after the pre-order date and some other shipments were made after the start date.

28. After starting duplicating (WRS for 200,000 units and Central deVideo for 170,000 units), I received a call from Parkinson that WRS required my personal guaranty or the videos would not be delivered.

29. Although Gehring was a major shareholder and director of Plaza and represented me in other matters, along with representing me with other attorneys employed by Jenkins & Gilchrist, he did not advise me of the pitfalls should I sign any of the guaranties. In fact, instead of protecting me from the Services Agreement (which

was apparently negotiated by Gehring for Plaza), Gehring advised Parkinson not to sign it (Exhibit 9), stating "otherwise, you might be inadvertently personally guaranteeing the contract". At this period of time, Gehring (a major shareholder and director of Plaza) along with others at Jenkins & Gilchrist billed me over $91,000 for the period of August, 1998 through October, 1998 (Exhibit 10).

30. At the same time as I signed the May 6, 1998 Guaranty, von Bernuth (who was CFO of Plaza, a major shareholder and director of Plaza), unbeknownst to me, signed a guaranty to Central DeVideo as President of American Happenings.

X. Miscellaneous

31. Despite having signed the guaranty at issue in this case, I was never provided notice concerning Plaza's debt until I was served with a copy of this lawsuit. As such, I was never provided with an opportunity to minimize the amounts due while the events at issue in this case were ongoing.

32. Although Jack Napor indicated that WRS had not received any monies from miscellaneous sales of Plaza titles after the last receipt per WRS's Receivables Management Report dated 9/13/05, I was unable to tie-in Library Video's Purchase Orders 54199, 53032 and 53461 (Composite Exhibit 17) with the Receivables Management Report. This brings up the question as to whether there are others, when and for how much, and when WRS actually stopped fulfilling orders for which WRS was paid.

XI. Conclusion

33. The only credit and collections policies that WRS appears to have are no policies other than trying to extract "financing" charges at an annual rate of 18% on billings that WRS failed to collect. WRS's last billing to Plaza for finance charges was $18,707 or approximately $224,000 on an annual basis; and, per Napor's Affidavit, claiming a grand total due of $2,492,000 as of October 13, 2006—over a million dollars, or 40%, is claimed as "Accrued Finance Charges" and "Interest on Storage Charges.". WRS's failure to employ prudent credit policies such as:

34. No extension of credit to customers having such a bad history as Parkinson, Plaza, Bread & Water, EnterTech and any other unknown entities or affiliates of those entities.

35. As shown on Exhibit 2, Plaza owed WRS the amount of $140,246 at March 31, 1998, of which $67,492 was a carryover from the March 31, 1997 statement (Exhibit 18). In spite of this, WRS granted $660,432 credit to Plaza for just the 5-month period of April, 1998 through August, 1998. In that 5-month period, WRS shows (and can only produce 5 checks) credits or collections of only $80,000 leaving a balance of $720,679. As a reward for this, WRS apparently granted a $1.5 million credit limit (Exhibit 5).

36. If WRS had prudent credit policies, they would have:

a. Had credit checks made of Plaza, Bread & Water, Plaza's directors and even John Herklotz.

b. Considered their past history with those parties.

c. Not started production unless on a cash upfront basis or all credit checks were evaluated and all guaranties obtained and a "roadmap" provided as to how and when Plaza was going to pay off their past due balance for over a year ago's billings.

37. As a failure on WRS's part to use prudent credit and collection policies, many persons have suffered (just a few being, Phil Nebbelink, produce of "Puss In Boots", who received "not a penny" from Plaza, whereas WRS apparently duplicated over 60,000 videos of "Puss In Boots" during August, 1999, Parkinson projected that the video's sales goals were 1 million units generating $8 million on gross revenues; Bobby Sargent, TXStar of Austin, Texas, who, along with friends provided Plaza $500,000 which was "gone in just a few weeks" and John Herklotz who has lost almost $1.5 million in loans, immeasurable losses in the value of The Giant of Thunder Mountain, and hundreds, if not thousands, of hours and many thousands of dollars in legal expenses and other costs.

38. Although my limited examination, due to time frames, discovered a great number of weaknesses in WRS's policies, record keeping and collection failures, it is believed that a "fraud audit" would be necessary to get to the bottom of the WRS/Plaza relationship. However, this again, would take hundreds (if not thousands) of hours of time and many thousands of dollars. Therefore, it is respectfully requested that, although WRS has been granted a judgment, the damages award be $0.

John C. Herklotz

Sworn to and subscribed before me this 30 day of November, 2006.

Notary Public

CARRIE GILLETTE
Commission # 1421063
Notary Public - California
Orange County
My Comm. Expires May 30, 2007

HERKLOTZ AFFIDAVIT
EXHIBIT 1

John C. Herklotz

John C. Herklotz was born and raised in Chicago, Illinois. After graduation from high school, prior to entering the U.S. Army in 1943, he was employed by Chicago Title & Trust and the Chicago Tribune. During this period he attended college to accomplish his early goal to become a Certified Public Accountant.

While serving with the U.S. Army, he was a member of the 44th Infantry Division, the Army Specialized Training Program at the University of South Dakota and completed his service with the 191st Signal Repair Company in the China-Burma-India area. Following his military service, John entered DePaul University to further his education goals while working part-time at the Tribune. After graduation from DePaul with a Bachelor of Science in Accounting, Price Waterhouse employed him for two years during which time he obtained his C.P.A. license.

In 1951, John returned to the Chicago Tribune where his professional experience included employment as Internal Auditor, Manager of the Tax Department and Chief Financial Officer for the Tribune's subsidiary companies. In addition, he was Auditor and Controller for WGN Continental Broadcasting during seven years of their expansion. In 1968, John left corporate life to pursue a career as a media financial consultant and broadcast station broker. During the next twenty years, he rendered consulting and brokerage services to numerous radio, television, and cable companies.

In 1988, John formed the Cellular Financial Corporation and actively pursued opportunities in the new and expanding cellular telephone industry. The federal government awarded John's company a rural telephone license in New Mexico covering 22,000 square miles of service area including the cities of Santa Fe and Los Alamos. In 1990 he sold his company to Centel Corporation to pursue his lifelong dream of devoting time and resources to charitable and worthwhile causes.

During the last sixteen years, John has established a legacy of helping numerous worthy causes. He is currently Chairman of Tesuque Radio Company that operates a communications site on Tesuque Peak, New Mexico.

As Chief Executive Officer of Herklotz Enterprises, Inc., John produced a feature film, "The Giant of Thunder Mountain", a heart-warming story for the entire family.

John's charitable endeavors include his role as financial contributor and Chairman of the Board of Directors of American Happenings. John has generously contributed to *The John Douglas French Foundation for Alzheimer's Research, The Phoenix House, The Santuario de Guadalupe, Santa Fe*, and has provided scholarship funds and grants to *Children's Museum of the Desert, USC Schools of Medicine & Music, California Institute of the Arts, Herklotz Research Facility at University of California Irvine, House Ear Institute, John Brown University, National Domestic Violence Hotline, DePaul University, Ray Meyer Scholarship Fund, Orthopedic Research & Education Foundation, Children's Hospital Los Angeles Foundation, Children's Miracle Network, Make-A-Wish Foundation, National Dance Institute of New Mexico, Children's Hospital Orange County, Orange County Bar Foundation, Heart of a Champion Foundation, Concordia University, Occidental College, Lupus Research Institute, Vital Ground Foundation* and *National Student/Parent Mock Election for which John serves as Vice-Chairman.*

In 1998, *The Vatican* conferred the *Papal Knight of St. Gregory* on John for his significant service and assistance to the *Archdiocese of Santa Fe.*

P. O. Box 3636 - Laguna Hills, CA 92654

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EXHIBIT

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HERKLOTZ AFFIDAVIT
EXHIBIT 2

WRS MOTION PICTURE
AND VIDEO LABORATORY
P.O. Box 360043
1000 Napor Blvd.
Pittsburgh, PA 15251-6043
Phone (412) 937-7700
FAX (412) 922-1020

- MOTION PICTURE PROCESSING AND PRINTING
- VIDEO DAILIES WITH KEYCODE AND OSC/R
- VIDEO DUPLICATING • ALL FORMATS
- STANDARD CONVERSION • TAPE TO FILM
- DIGITAL FILM TO TAPE TRANSFER

DATE OF STATEMENT	SALESMAN NO.	CUSTOMER NO.
03/31/98	WRS	124217

PLAZA ENTERTAINMENT
ATTN: ERIC PARKINSON
304 N EDINBURGH
LOS ANGELES, CA 90048

INDICATE AMOUNT OF REMITTANCE

$ ____________

TERMS: Payment due 30 days from date of invoice. Past due invoices are subject to a 1½% per month interest charge which is an annual percentage charge of 18%.

INVOICE DATE	INVOICE NUMBER	CUSTOMER REFERENCE NUMBER	ORIGINAL TRANSACTION AMOUNT	CURRENT ITEMS	PAST DUE 31-60 DAYS OLD	PAST DUE 61-90 DAYS OLD	PAST DUE OVER 90 DAYS OLD
9/26/97	161818	PO# EP 825-1	18760 39				18760. 39
9/26/97	161836	PO# EP909-1	9120. 00				9120. 00
9/26/97	161876	PO#	1289. 44				1289. 44
0/14/97	162350	PO#	15. 50				15. 50
0/14/97	162360	PO# PARKINSON	1859. 75				1859. 75
0/24/97	163461	PO# N CORNMAN	256. 52				256. 52
0/24/97	163738	PO# N CORNMAN	587. 33				587. 33
0/24/97	163745	PO# NC1013-1	609. 50				609. 50
1/10/97	163880	PO# NC-1022-1	3200. 00				3200. 00
1/24/97	164948	PO# N CORNMAN	64. 84				64. 84
1/24/97	164950	PO# N CORNMAN	664. 57				664. 57
1/28/97	165766	PO# NC1116-1	4281. 46				4281. 46
1/28/97	165902	PO# VARIOUS	3138. 35				3138. 35
2/10/98	169231	PO# NC-112-1	236. 00		236. 00		
2/10/98	169365	PO#	83. 63		83. 63		
2/12/98	169502	PO# PARKINSON	160. 00		160. 00		

STATEMENT

REMARKS: 1
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WRS
[MOTI]ON PICTURE AND
[VIDE]O LABORATORY
[FORM] 102 (12/88)

STATEMENT DATE ACCUMULATED TOTALS		CURRENT	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE
	03/31/98	.00	4320.65	1920.51	134004.9[illegible]

TOTAL AMOUNT DUE PLEASE PAY THIS AMOUNT 140,246.10

MEMBER
ACVL, AVDA, ITA, ITVA
NAPTE, SIVA, SMPTE, VSDA

ALL SALES ARE SUBJECT TO OUR PUBLISHED TERMS AND CONDITIONS. COPIES ARE AVAILABLE UPON REQUEST.

EXHIBIT
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HERKLOTZ AFFIDAVIT
EXHIBIT 3

WRS MOTION PICTURE
AND VIDEO LABORATORY
P.O. Box 360043
1000 Napor Blvd.
Pittsburgh, PA 15251-6043
Phone (412) 937-7700
FAX (412) 922-1020

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- STANDARD CONVERSION • TAPE TO FILM
- DIGITAL FILM TO TAPE TRANSFER

DATE OF STATEMENT: 08/31/98
SALESMAN NO.: WRS
CUSTOMER NO.: 124217

PLAZA ENTERTAINMENT
ATTN: ERIC PARKINSON
304 N EDINBURGH
LOS ANGELES, CA 90048

INDICATE AMOUNT OF REMITTANCE $ ________

TERMS: Payment due 30 days from date of invoice. Past due invoices are subject to a 1½% per month interest charge, which is an annual percentage charge of 18%.

INVOICE DATE	INVOICE NUMBER	CUSTOMER REFERENCE NUMBER	ORIGINAL TRANSACTION AMOUNT	CURRENT ITEMS	PAST DUE 31-60 DAYS OLD	PAST DUE 61-90 DAYS OLD	PAST DUE OVER 90 DAYS OLD
06/10/98	177373	PO# P QUINN	174.50			174.50	
06/16/98	177708	PO# 51498-1	634.65			634.65	
06/16/98	177710	PO# SEE BELOW	6019.52			6019.52	
06/24/98	178096	PO# N CORNMAN	2747.50			2747.50	
06/26/98	178742	PO# SEE BELOW	1653.12			1653.12	
06/26/98	179030	PO# SEE BELOW	1350.00			1350.00	
07/24/98	180945	PO# 71498-1	13352.56		13352.56		
08/12/98	181146	PO# N. CORNMAN	443.75	443.75			
08/14/98	181388	PO# SEE BELOW	776.80	776.80			
08/31/98	183063	PO# NOAH	2736.76	2736.76			
08/31/98	183064	PO# PL71498-1	78007.69	78007.69			
08/31/98	183065	PO# PL71498-1	6758.68	6758.68			
08/31/98	183066	PO# NOAH	1061.65	1061.65			
08/31/98	183189	PO# PL80598-1	16101.58	16101.58			

STATEMENT

EXHIBIT 3

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REMARKS: 1
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WRS MOTION PICTURE AND VIDEO LABORATORY WRS 102 (12/88)

STATEMENT DATE ACCUMULATED TOTALS		CURRENT	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE
	08/31/98	105886.91	22444.67	21482.71	570864.8[illegible]

TOTAL AMOUNT DUE PLEASE PAY THIS AMOUNT: 720,679.15

MEMBER
ACVL, AVDA, ITA, ITVA
NAPTE, SIVA, SMPTE, VSDA

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WRS MOTION PICTURE AND VIDEO LABORATORY
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1000 Napor Blvd.
Pittsburgh, PA 15251-6043
Phone (412) 937-7700
FAX (412) 922-1020

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- STANDARD CONVERSION • TAPE TO FILM
- DIGITAL FILM TO TAPE TRANSFER

DATE OF STATEMENT 08/31/98
SALESMAN NO. WRS
CUSTOMER NO. 124217

PLAZA ENTERTAINMENT
ATTN: ERIC PARKINSON
304 N EDINBURGH
LOS ANGELES, CA 90048

INDICATE AMOUNT OF REMITTANCE $ ____________

TERMS: Payment due 30 days from date of invoice. Past due invoices are subject to a 1½% per month interest charge which is an annual percentage charge of 18%.

INVOICE DATE	INVOICE NUMBER	CUSTOMER REFERENCE NUMBER	ORIGINAL TRANSACTION AMOUNT	CURRENT ITEMS	PAST DUE 31-60 DAYS OLD	PAST DUE 61-90 DAYS OLD	PAST DUE OVER 90 DAYS OLD
05/15/98	175872	PO# N CORNMAN	22.00				22.00
05/15/98	175873	PO# SEE BELOW	3466.76				3466.76
05/15/98	175874	PO# SEE BELOW	3477.70				3477.70
05/15/98	175875	PO# SEE BELOW	11469.37				11469.37
05/15/98	175876	PO# SEE BELOW	316.48				316.48
05/15/98	175877	PO# SEE BELOW	587.02				587.02
05/15/98	175878	PO# SEE BELOW	1251.36				1251.36
05/15/98	175879	PO# SEE BELOW	2069.80				2069.80
05/15/98	175882	PO# SEE BELOW	4392.00				4392.00
05/15/98	175883	PO# SEE BELOW	15367.42				15367.42
05/15/98	175884	PO# SEE BELOW	426.80				426.80
05/18/98	176030	PO# SEE BELOW	3437.33				3437.33
05/18/98	176031	PO# SEE BELOW	3543.60				3543.60
05/18/98	176032	PO# SEE EBLOW	2684.29				2684.29
05/27/98	176645	PO# N KORNMAN	27.25				27.25
05/27/98	176668	PO# SEE BELOW	46097.91				46097.91
05/29/98	176813	PO# SEE BELOW	32128.56				32128.56
05/29/98	177023	PO# SEE BELOW	15150.77				15150.77
05/29/98	177025	PO# SEE BELOW	7584.77				7584.77
05/29/98	177026	PO# SEE BELOW	5673.77				5673.77
05/29/98	177027	PO# SEE BELOW	18924.77				18924.77
05/29/98	177037	PO# 51498-1	5757.26				5757.26
05/29/98	177041	PO# SEE BELOW	129207.05				129207.05
05/29/98	177042	PO# SEE BELOW	4086.84				4086.84
05/29/98	177168	PO# SEE BELOW	5825.13				5825.13
05/29/98	177186	PO# 51498-1	130.21				130.21

STATEMENT

REMARKS: 1
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WRS MOTION PICTURE AND VIDEO LABORATORY WRS 102 (12/88)

STATEMENT DATE ACCUMULATED TOTALS	CURRENT	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE

TOTAL AMOUNT DUE PLEASE PAY THIS AMOUNT

MEMBER
ACVL, AVDA, ITA, ITVA
NAPTE, SIVA, SMPTE, VSDA

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AND VIDEO LABORATORY
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1000 Napor Blvd.
Pittsburgh, PA 15251-6043
Phone (412) 937-7700
FAX (412) 922-1020

- MOTION PICTURE PROCESSING AND PRINTING
- VIDEO DAILIES WITH KEYCODE AND OSC/R
- VIDEO DUPLICATING • ALL FORMATS
- STANDARD CONVERSION • TAPE TO FILM
- DIGITAL FILM TO TAPE TRANSFER

DATE OF STATEMENT 08/31/98
SALESMAN NO. WRS
CUSTOMER NO. 124217

PLAZA ENTERTAINMENT
ATTN: ERIC PARKINSON
304 N EDINBURGH
LOS ANGELES, CA 90048

INDICATE AMOUNT OF REMITTANCE
$ ______

TERMS: Payment due 30 days from date of invoice. Past due invoices are subject to a 1½% per month interest charge which is an annual percentage charge of 18%.

INVOICE DATE	INVOICE NUMBER	CUSTOMER REFERENCE NUMBER	ORIGINAL TRANSACTION AMOUNT	CURRENT ITEMS	PAST DUE 31-60 DAYS OLD	PAST DUE 61-90 DAYS OLD	PAST DUE OVER 90 DAYS OLD
08/13/97	158889	PO# N CORNMAN	62.90				62.90
09/24/97	161013	PO# N CORNMAN	132.38				132.38
09/26/97	161818	PO# EP 825-1	18760.39				18760.39
09/26/97	161836	PO# EP909-1	9120.00				9120.00
09/26/97	161876	PO#	1289.44				1289.44
10/14/97	162350	PO#	15.50				15.50
10/14/97	162360	PO# PARKINSON	1859.75				1859.75
10/24/97	163461	PO# N CORNMAN	256.52				256.52
10/24/97	163738	PO# N CORNMAN	587.33				587.33
10/24/97	163745	PO# NC1013-1	609.50				609.50
11/10/97	163880	PO# NC-1022-1	3200.00				3200.00
11/24/97	164948	PO# N CORNMAN	64.84				64.84
11/24/97	164950	PO# N CORNMAN	664.57				664.57
11/28/97	165766	PO# NC1118-1	4281.46				4281.46
11/28/97	165902	PO# VARIOUS	3138.35				3138.35
02/10/98	169231	PO# NC-112-1	236.00				236.00
02/10/98	169365	PO#	83.63				83.63
02/12/98	169502	PO# PARKINSON	160.00				160.00
04/30/98	175557	PO# NC1030-1	1145.00				1145.00
04/30/98	175647	PO# SEE BELOW	24712.22				24712.22
05/15/98	175685	PO# SEE BELOW	89296.50				89296.50
05/15/98	175711	PO# SEE BELOW	66031.68				66031.68
05/15/98	175757	PO# N CORNMAN	656.68				656.68
05/15/98	175869	PO# N CORNMAN	27.75				27.75
05/15/98	175870	PO# N CORNMAN	27.75				27.75
05/15/98	175871	PO#	44.00				44.00

REMARKS: 1
2
3

WRS MOTION PICTURE AND VIDEO LABORATORY WRS 102 (12/88)

STATEMENT DATE ACCUMULATED TOTALS	CURRENT	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE

TOTAL AMOUNT DUE PLEASE PAY THIS AMOUNT

MEMBER
ACVL, AVDA, ITA, ITVA

ALL SALES ARE SUBJECT TO OUR

WRS MOTION PICTURE AND VIDEO LABORATORY
P.O. Box 360043
1000 Napor Blvd.
Pittsburgh, PA 15251-6043
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DATE OF STATEMENT	08/31/98
SALESMAN NO.	CUSTOMER NO.
WRS	124217

PLAZA ENTERTAINMENT
ATTN: ERIC PARKINSON
304 N EDINBURGH
LOS ANGELES, CA 90048

INDICATE AMOUNT OF REMITTANCE

$ ______

TERMS: Payment due 30 days from date of invoice. Past due invoices are subject to a 1 1/2% per month interest charge which is an annual percentage charge of 18%.

INVOICE DATE	INVOICE NUMBER	CUSTOMER REFERENCE NUMBER	ORIGINAL TRANSACTION AMOUNT	CURRENT ITEMS	PAST DUE 31-60 DAYS OLD	PAST DUE 61-90 DAYS OLD	PAST DUE OVER 90 DAYS OLD
08/29/97	1146	OPEN CREDIT ON	-1645.00				-1645.00
08/31/97	7462	FINANCE CHARGE	1259.86				1259.86
09/30/97	7608	FINANCE CHARGE	1260.80				1260.80
10/31/97	7743	FINANCE CHARGE	1700.34				1700.34
11/30/97	7880	FINANCE CHARGE	1750.27				1750.27
12/31/97	8010	FINANCE CHARGE	1920.51				1920.51
01/31/98	8142	FINANCE CHARGE	1920.51				1920.51
02/28/98	8284	FINANCE CHARGE	1920.51				1920.51
03/31/98	8415	FINANCE CHARGE	1927.70				1927.70
04/30/98	8544	FINANCE CHARGE	1927.70				1927.70
05/31/98	8679	FINANCE CHARGE	1715.56				1715.56
06/30/98	8811	FINANCE CHARGE	8903.42			8903.42	
07/31/98	8942	FINANCE CHARGE	9092.11		9092.11		
04/25/97	152492	PO# EP330-1	5811.77				265.14
04/25/97	152514	PO# PARKINSON	1030.36				517.50
05/30/97	154122	PO# PARKINSON	1311.06				287.50
05/30/97	154126	PO# PARKINSON	576.11				48.88
05/30/97	154130	PO# PARKINSON	47.24				12.50
05/30/97	154135	PO# NOAH	57.70				23.04
05/30/97	154139	PO# PARKINSON	102.85				12.50
05/30/97	154161	PO# EP520-5	2689.32				995.97
05/30/97	154165	PO# PARKINSON	537.25				537.25
05/30/97	154177	PO# EP-527-1	5709.60				2861.40
05/30/97	154252	PO#	201.79				5.75
07/25/97	158023	PO# NOAH	62.50				62.50
07/25/97	158024	PO# NOAH	5.81				5.81

SCREENWORKS

REMARKS: 1
2
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STATEMENT DATE ACCUMULATED TOTALS	CURRENT	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE

TOTAL AMOUNT DUE PLEASE PAY THIS AMOUNT

WRS MOTION PICTURE AND VIDEO LABORATORY WRS 102 (12/88)

MEMBER ACVL, AVDA, ITA, ITVA

ALL SALES ARE SUBJECT TO OUR PUBLISHED TERMS AND CONDITIONS.

HERKLOTZ AFFIDAVIT
EXHIBIT 4

WRS MOTION PICTURE AND VIDEO LABORATORY
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DATE OF STATEMENT	11/30/99
SALESMAN NO.	CUSTOMER NO.
WRS	124217

PLAZA ENTERTAINMENT
ATTN: ERIC PARKINSON
304 N EDINBURGH
LOS ANGELES, CA 90048

INDICATE AMOUNT OF REMITTANCE

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INVOICE DATE	INVOICE NUMBER	CUSTOMER REFERENCE NUMBER	ORIGINAL TRANSACTION AMOUNT	CURRENT ITEMS	PAST DUE 31-60 DAYS OLD	PAST DUE 61-90 DAYS OLD	PAST DUE OVER 90 DAYS OLD
09/14/98	5112	NSF CHECK 5112	40000.00				40000.00
08/31/97	7462	FINANCE CHARGE	1259.86				1259.86
09/30/97	7608	FINANCE CHARGE	1260.80				1260.80
10/31/97	7743	FINANCE CHARGE	1700.34				1700.34
11/30/97	7880	FINANCE CHARGE	1750.27				1750.27
12/31/97	8010	FINANCE CHARGE	1920.51				1920.51
01/31/98	8142	FINANCE CHARGE	1920.51				1920.51
02/28/98	8284	FINANCE CHARGE	1920.51				1920.51
03/31/98	8415	FINANCE CHARGE	1927.70				1927.70
04/30/98	8544	FINANCE CHARGE	1927.70				1927.70
05/31/98	8679	FINANCE CHARGE	1715.56				1715.56
06/30/98	8811	FINANCE CHARGE	8903.42				8903.42
07/31/98	8942	FINANCE CHARGE	9092.11				9092.11
08/31/98	9067	FINANCE CHARGE	8692.39				8692.39
09/30/98	9187	FINANCE CHARGE	9160.70				9160.70
10/31/98	9312	FINANCE CHARGE	11063.79				11063.79
11/30/98	9436	FINANCE CHARGE	11368.54				11368.54
12/31/98	9567	FINANCE CHARGE	11325.72				11325.72
01/31/99	9687	FINANCE CHARGE	11370.22				11370.22
02/28/99	9788	FINANCE CHARGE	11753.37				11753.37
03/31/99	9882	FINANCE CHARGE	12116.64				12116.64
04/30/99	9971	FINANCE CHARGE	12116.64				12116.64
05/31/99	10068	FINANCE CHARGE	12132.88				12132.88
06/30/99	10147	FINANCE CHARGE	12132.97				12132.97
07/31/99	10245	FINANCE CHARGE	12140.08				12140.08
08/31/99	10335	FINANCE CHARGE	12076.97				12076.97

STATEMENT

REMARKS: 1
2
3

WRS MOTION PICTURE AND VIDEO LABORATORY WRS 102 (12/88)

STATEMENT DATE ACCUMULATED TOTALS

CURRENT

TOTAL AMOUNT DUE
PLEASE PAY THIS AMOUNT

MEMBER
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NAPTE, SIVA, SMPTE, VSDA

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EXHIBIT
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DATE OF STATEMENT 11/30/99
SALESMAN NO. WRS
CUSTOMER NO. 124217

PLAZA ENTERTAINMENT
ATTN: ERIC PARKINSON
304 N EDINBURGH
LOS ANGELES, CA 90048

INDICATE AMOUNT OF REMITTANCE $ ______

TERMS

INVOICE DATE	INVOICE NUMBER	CUSTOMER REFERENCE NUMBER	ORIGINAL TRANSACTION AMOUNT	CURRENT ITEMS	PAST DUE 31-60 DAYS OLD	PAST DUE 61-90 DAYS OLD	PAST DUE OVER 90 DAYS OLD
09/30/99	10420	FINANCE CHARGE	13334.06			13334.06	
10/31/99	10514	FINANCE CHARGE	16105.12	16105.12			
05/15/98	175711	PO# SEE BELOW	66031.68				52415.56
05/15/98	175757	PO# N CORNMAN	656.68				656.68
05/15/98	175869	PO# N CORNMAN	27.75				27.75
05/15/98	175870	PO# N CORNMAN	27.75				27.75
05/15/98	175871	PO#	44.00				44.00
05/15/98	175872	PO# N CORNMAN	22.00				22.00
05/15/98	175873	PO# SEE BELOW	3466.76				3466.76
05/15/98	175874	PO# SEE BELOW	3477.70				3477.70
05/15/98	175875	PO# SEE BELOW	11469.37				11469.37
05/15/98	175876	PO# SEE BELOW	316.48				316.48
05/15/98	175877	PO# SEE BELOW	587.02				587.02
05/15/98	175878	PO# SEE BELOW	1251.36				1251.36
05/15/98	175879	PO# SEE BELOW	2069.80				2069.80
05/15/98	175882	PO# SEE BELOW	4392.00				4392.00
05/15/98	175883	PO# SEE BELOW	15367.42				15367.42
05/15/98	175884	PO# SEE BELOW	426.80				426.80
05/18/98	176030	PO# SEE BELOW	3437.33				3437.33
05/18/98	176031	PO# SEE BELOW	3543.60				3543.60
05/18/98	176032	PO# SEE EBLOW	2684.29				2684.29
05/27/98	176645	PO# N KORNMAN	27.25				27.25
05/27/98	176668	PO# SEE BELOW	46097.91				46097.91
05/29/98	176813	PO# SEE BELOW	32128.56				32128.56
05/29/98	177023	PO# SEE BELOW	15150.77				15150.77
05/29/98	177025	PO# SEE BELOW	7584.77				7584.77

STATEMENT

REMARKS: 1
2
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WRS MOTION PICTURE AND VIDEO LABORATORY WRS 102 (12/85)

STATEMENT DATE ACCUMULATED TOTALS | CURRENT

TOTAL AMOUNT DUE
PLEASE PAY THIS AMOUNT

MEMBER
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DATE OF STATEMENT	11/30/99
SALESMAN NO.	CUSTOMER NO.
WRS	124217

PLAZA ENTERTAINMENT
ATTN: ERIC PARKINSON
304 N EDINBURGH
LOS ANGELES, CA 90048

INDICATE AMOUNT OF REMITTANCE $ ______

INVOICE DATE	INVOICE NUMBER	CUSTOMER REFERENCE NUMBER	ORIGINAL TRANSACTION AMOUNT	CURRENT ITEMS	PAST DUE 31-60 DAYS OLD	PAST DUE 61-90 DAYS OLD	PAST DUE OVER 90 DAYS OLD
05/29/98	177026	PO# SEE BELOW	5673.77				5673.77
05/29/98	177027	PO# SEE BELOW	18924.77				18924.77
05/29/98	177037	PO# 51498-1	5757.26				5757.26
05/29/98	177041	PO# SEE BELOW	129207.05				129207.05
05/29/98	177042	PO# SEE BELOW	4086.84				4086.84
05/29/98	177168	PO# SEE BELOW	5825.13				5825.13
05/29/98	177186	PO# 51498-1	130.21				130.21
06/10/98	177373	PO# P QUINN	174.50				174.50
06/16/98	177708	PO# 51498-1	634.65				634.65
06/16/98	177710	PO# SEE BELOW	6019.52				6019.52
06/24/98	178096	PO# N CORNMAN	2747.50				2747.50
06/26/98	178742	PO# SEE BELOW	1653.12				1653.12
06/26/98	179030	PO# SEE BELOW	1350.00				1350.00
07/24/98	180945	PO# 71498-1	13352.56				13352.56
08/12/98	181146	PO# N. CORNMAN	443.75				443.75
08/14/98	181388	PO# SEE BELOW	776.80				776.80
08/31/98	183063	PO# NOAH	2736.76				2736.76
08/31/98	183064	PO# PL71498-1	78007.69				78007.69
08/31/98	183065	PO# PL71498-1	6758.68				6758.68
08/31/98	183066	PO# NOAH	1061.65				1061.65
08/31/98	183189	PO# PL80598-1	16101.58				16101.58
09/30/98	184458	PO#	19.94				19.94
09/30/98	184701	PO# N CORNMAN	77.80				77.80
09/30/98	184720	PO# NOAH CORNM	101.31				101.31
09/30/98	184724	PO# PL92198-1	10433.16				10433.16
09/30/98	185231	PO# PARKINSON	6492.53				6492.53

REMARKS: 1
2
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WRS MOTION PICTURE AND VIDEO LABORATORY WRS 102 (12/88)

STATEMENT DATE ACCUMULATED TOTALS | CURRENT

TOTAL AMOUNT DUE PLEASE PAY THIS AMOUNT

MEMBER
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DATE OF STATEMENT	11/30/99
SALESMAN NO.	CUSTOMER NO.
WRS	124217

PLAZA ENTERTAINMENT
ATTN: ERIC PARKINSON
304 N EDINBURGH
LOS ANGELES, CA 90048

INDICATE AMOUNT OF REMITTANCE

$ ____________

INVOICE DATE	INVOICE NUMBER	CUSTOMER REFERENCE NUMBER	ORIGINAL TRANSACTION AMOUNT	CURRENT ITEMS	PAST DUE 31-60 DAYS OLD	PAST DUE 61-90 DAYS OLD	PAST DUE OVER 90 DAYS OLD
09/30/98	185232	PO# PARKINSON	14854.19				14854.19
10/14/98	185421	PO# NOAH CORNM	13870.49				13870.49
10/14/98	185437	PO# N. CORNMAN	217.25				217.25
10/27/98	186401	PO# NC10798-1	2199.92				2199.92
10/27/98	186451	PO# NC101998-1	3978.00				3978.00
10/29/98	186776	PO# NOAH	7.08				7.08
10/29/98	186777	PO# NOAH	44.25				44.25
11/30/98	189001	PO# NOAH	152.25				152.25
11/30/98	189135	PO# N. CORNMAN	7185.00				7185.00
11/30/98	189136	PO# NC107982	1650.00				1650.00
11/30/98	189137	PO# NC100998-1	7283.82				7283.82
11/30/98	189138	PO# 10998-1	108193.57				108193.57
11/30/98	189139	PO# N. CORNMAN	5699.27				5699.27
11/30/98	189140	PO# N. CORNMAN	500.00				500.00
11/30/98	189141	PO# NC102698-1	1752.50				1752.50
11/30/98	189144	PO# NC-11298-2	5324.40				5324.40
11/30/98	189145	PO# NC-11298-1	2600.07				2600.07
11/30/98	189147	PO# NC11398-1	4932.56				4932.56
11/30/98	189148	PO# NOAH	1055.00				1055.00
11/30/98	189152	PO# NOAH	816.48				816.48
12/29/98	190224	PO# NOAH	440.00				440.00
12/29/98	190233	PO# N. CORNMAN	220.00				220.00
12/31/98	190796	PO# N CORNMAN	2306.53				2306.53
01/27/99	191951	PO# NC107982	21433.36				21433.36
01/27/99	191954	PO# NOAH	72.00				72.00
01/27/99	191957	PO# N. CORNMAN	825.00				825.00

REMARKS: 1
2
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WRS MOTION PICTURE AND VIDEO LABORATORY WRS 102 (12/88)

STATEMENT DATE ACCUMULATED TOTALS | CURRENT

TOTAL AMOUNT DUE
PLEASE PAY THIS AMOUNT

MEMBER
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NARTE SPIA SMPTE UFOA

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INVOICE DATE	INVOICE NUMBER	CUSTOMER REFERENCE NUMBER	ORIGINAL TRANSACTION AMOUNT	CURRENT ITEMS	PAST DUE 31-60 DAYS OLD	PAST DUE 61-90 DAYS OLD	PAST DUE OVER 90 DAYS OLD
01/27/99	191958	PO# N. CORNMAN	850.75				850.75
01/27/99	191965	PO# NC011299-2	2362.64				2362.64
01/29/99	192084	PO# NC120298-1	4676.58				4676.58
01/29/99	192085	PO# NC-1210981	11069.58				11069.58
01/29/99	192120	PO# N. CORNMAN	30.06				30.06
01/29/99	192143	PO#	1000.00				1000.00
01/29/99	192218	PO# N CORNMAN	1418.00				1418.00
01/29/99	192526	PO#	1055.00				1055.00
02/11/99	192791	PO#	2271.86				2271.86
02/26/99	194150	PO# NC-11298-2	1649.06				1649.06
02/26/99	194257	PO#	1047.50				1047.50
03/31/99	196367	PO#	1082.91				1082.91
05/25/99	199214	PO# S ISAACS	6.22				6.22
06/15/99	200282	PO# S ISAACS	26.25				26.25
06/15/99	200308	PO#	2560.67				2560.67
06/30/99	201536	PO#	13.50				13.50
07/26/99	202532	PO#	15.00				15.00
07/30/99	202992	PO# E. PARKINSO	301.42				301.42
08/25/99	203835	PO# N CORNMAN	1752.50				1752.50
08/25/99	203837	PO# N. CORNMAN	10241.00				10241.00
08/25/99	203838	PO# P140799-1	2344.64				2344.64
08/25/99	203839	PO# PL 41299-1	5200.00				5200.00
08/25/99	203840	PO# PLAZA50399	3091.86				3091.86
08/25/99	203841	PO# PL50399-1	29562.72				29562.72
08/25/99	203842	PO# PARKINSON	1545.00				1545.00
08/25/99	203843	PO# P061599-1	8295.00				8295.00

STATEMENT

REMARKS: 1
2
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WRS MOTION PICTURE AND VIDEO LABORATORY WRS 102 (12/88)

STATEMENT DATE ACCUMULATED TOTALS | CURRENT

TOTAL AMOUNT DUE
PLEASE PAY THIS AMOUNT

MEMBER
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NAPTE. SIVA. SMPTE. VSDA

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DATE OF STATEMENT 11/30/99
SALESMAN NO. WRS
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INDICATE AMOUNT OF REMITTANCE $ ______

STATEMENT

INVOICE DATE	INVOICE NUMBER	CUSTOMER REFERENCE NUMBER	ORIGINAL TRANSACTION AMOUNT	CURRENT ITEMS	PAST DUE 31-60 DAYS OLD	PAST DUE 61-90 DAYS OLD	PAST DUE OVER 90 DAYS OLD
08/25/99	203844	PO# C. BERNERTH	611. 63				611. 6
08/25/99	203846	PO# 70799-1	2379. 78				2379. 7
08/25/99	203851	PO# S. ISAACS	799. 20				799. 2
08/25/99	203855	PO# S. ISAACS	250. 00				250. 0
08/25/99	203859	PO#	109. 61				109. 61
08/30/99	204233	PO# NC-11298-2	8356. 90				8356. 9
08/30/99	204235	PO# NC107982	3934. 32				3934. 32
08/30/99	204236	PO# SEE BELOW	5688. 08				5688. 0
08/31/99	204406	PO#	5842. 12				5842. 1
08/31/99	204409	PO#	18432. 82				18432. 82
08/31/99	204574	PO# NC107982	23403. 12				23403. 12
08/31/99	204683	PO# PL40799-2	105608. 25				105608. 25
08/31/99	204684	PO# 70799-1	22766. 00				22766. 00
08/31/99	204690	PO# ERIC	1224. 17				1224. 17
08/31/99	204696	PO#	6008. 67				6008. 67
09/30/99	206202	PO#	1555. 67			1555. 67	
10/31/99	207664	PO#	2025. 87	2025. 87			
11/29/99	208387	PO#	31. 00	31. 00			

REMARKS: 1
2
3

STATEMENT DATE ACCUMULATED TOTALS 11/30/99
CURRENT 18161. 99

TOTAL AMOUNT DUE
PLEASE PAY THIS AMOUNT

WRS MOTION PICTURE AND VIDEO LABORATORY WRS 102 (12/83)

MEMBER
ACVL, AVDA, ITA, ITVA
NAPTE, SIVA, SMPTE, VSDA

ALL SALES ARE SUBJECT TO OUR PUBLISHED TERMS AND CONDITIONS

HERKLOTZ AFFIDAVIT
EXHIBIT 5

9-25-98

Dave – My Solution: – please get Appropriate Approval – Thank you

John Purdy

CUSTOMER FILE MAINTENANCE
CHANGE/INQUIRE

WRS/CHANNEL ONE

* 1.	CUSTOMER NO	124217			
2.	NAME	PLAZA ENTERTAINMENT			
3.	ADDRESS-1	ATTN: ERIC PARKINSON			
4.	ADDRESS-2	304 N EDINBURGH			
5.	CITY	LOS ANGELES	6. STATE CA	7. ZIP CODE	90048
8.	COUNTRY				
9.	CONTACT	ERIC PARKINSON/ELLEN			
10.	PHONE	213-852-1800			
11.	CUST TYPE	DMS			

12.	BAL METHOD	O	21.	CRDT LIMIT	1,500,000 (1)
13.	STMNT FREQ	M	22.	CRDT RATE	JF
14.	LOCATION	WH	23.	TERMS CODE	3 30 DAYS
15.	TERRITORY	5	24.	SHIP VIA	Z SEE SHIP INSTR.
16.	FRT PMT CD	P	25.	TAX CODE	NO NO TAX
17.	PART SHIP ?	Y	26.	SALESMAN NO	WRS WRS HOUSE
18.	FIN CHG ?	Y	27.	A/R ACCOUNT	01-107000
19.	DISCOUNT %	.00			*** UNDEFINED ***
20.	CRDT STATUS		28.	COMMENT	*12/24/96 PER JOE GEREK=?

ITEM NUMBER TO CHANGE ? ___ F1 FOR COMMENTS
Alt: B=Break D=Discon H=Help M=Menu : :VT100 CsrMd=App KpMd=Num

CUSTOMER FILE MAINTENANCE
CHANGE/INQUIRE

WRS/CHANNEL ONE

CUSTOMER: 124217 PLAZA ENTERTAINMENT

1.	SALES PTD	.00	8.	ACCOUNT BAL	7~~7~~40,679.15
2.	SALES YTD	.00	9.	TOTAL INVCS PD	20
3.	SALES LAST YEAR	634,793.52	10.	AVG DAYS TO PAY	43
4.	COST PTD	.00	11.	HIGHEST BAL DUE	720,679.15 (Per WR 8/31/98 Statement to Plaza)
5.	COST YTD	.00	12.	DATE HIGHEST BAL	08/31/98
6.	COMM PTD	.00	13.	LAST PAYMNT MADE	~~40,000.00~~ -0-
7.	COMM YTD	.00	14.	DATE LAST PAYMNT	08/25/98

CHANGES TO THESE FIELDS NOT ALLOWED
PRESS "RETURN"
Alt: B=Break D=Discon H=Help M=Menu : :VT100 CsrMd=App KpMd=Num

EXHIBIT
tabbies
5

HERKLOTZ AFFIDAVIT
EXHIBIT 6

PLAZA ENTERTAINMENT, INC.
DBA FAMILY UNIVERSAL NETWORK
304 N. EDINBURGH AVE. 213-852-1800
LOS ANGELES, CA 90048

5112

DATE 8/21/98

16-66
1220

PAY TO THE ORDER OF W.R.S. Molecular Labs $ 40,000.00

Forty Thousand 00/100 DOLLARS

40,000.00

Bank of America
Century City Regional Commercial Banking Office 1417
2049 Century Park East
Los Angeles, CA 90067

FOR

⑈005112⑈ ⑆122000⑆ ⑈00891⑈ ⑈0004000000⑈

INSUFFICIENT FUNDS

NONSUFFICIENT FUNDS

24

ADAJD MCD
BATCH..00001 SEQ..0005 ENTRY 0004 ACCEPTED
BANK..C=0100 09/10/98 11:13:47

MISCELLANEOUS DEBIT

COMPANY..0100 PITT WHOLESALE LOCKBOX SITE ENTRY OPR..XSNH1X0 DD APPL..MD
ORGN 07572 OFFSET ACCT 100.991-1791
STATUS ACCT 100.992-2360
LXBX TYPE 33 LXBX NUMBER 360043 AMOUNT 4000000
DESCRIPTION: AFFILIATE NBR 56123
WE ARE DEBITING YOUR ACCOUNT (100.992-2360) FOR A RETURNED ITEM IN THE AMOUNT OF $40,000.00 FROM YOUR DEPOSIT OF 09/01/98. FOR THE FOLLOWING REASON: NSF.

ALL DATES IN MM/DD/CCYY

REF NBRS
NAME/ADDRESS: NATIONAL_BANK_OF_CANADA CUSTOMER MISC

EXHIBIT
6

HERKLOTZ AFFIDAVIT
EXHIBIT 7

WRS MOTION PICTURE AND VIDEO LABORATORY
1000 NAPOR BOULEVARD
PITTSBURGH, PENNSYLVANIA 15205
FAX NUMBER (412) 922-1020

COVER PAGE

DATE: 8-31-98

TO: BANK of AMERICA - ATTN: CINDY MABINI

FAX NUMBER: 310-785-6100

FROM: JOHN PURDY - WRS - CREDIT MGR

Included is the Agreement for LockBox # 14177 00892. WRS is LISTED on p. 2, 3, & 4 (JOE GERERE is CFO) Please advise as to Reporting, Disbursement etc... how it works! Thank you

TOTAL NUMBER OF PAGES 8 INCLUDING THIS PAGE.

IF YOU DO NOT RECEIVE ALL OF THESE PAGES, PLEASE CALL BACK AS SOON AS POSSIBLE TO (412) 937-7700.

800-345-8977) x 244

FAX OPERATOR: John Purdy

EXHIBIT 7

Bank of America

2

Lockbox Service
Acceptable Payees Authorization Form

Date: August 10, 1998

Company Name: Plaza Entertainment, Inc.

GCI Number: BANK USE ONLY

Lockbox(s) #: 1417700892

Lockbox Location: ☐ AK ☐ AZ ☐ Charlotte ☐ Chicago ☐ HI ☐ ID ☒ Los Angeles ☐ NV ☐ OR ☐ San Francisco ☐ TX ☐ WA

Deposit Account #:

Acceptable Payees

WRS Film + Video Labs, Inc.	20% (Twenty Percent) *
Central Video S.A. de C.V.	20% (Twenty Percent) **
Plaza Ent. Inc. General Operating Acct.	60% (Sixty Percent) ***
	#1417900891

Customer Authorization

Print Name: ERIC PARKINSON / CHARLES VON BERNUTH Signature: [signatures]

Title: President - C.E.O. / C.O.O. Phone # (213) 852 1800 Ext.

* Up to the total Secured sum of $474,000.
** Up to the total Secured Sum of $215,000.
*** As WRS and Central's balances are paid, their lien is removed, and the funds are then directed for the benefit of the Plaza Entertainment, Inc. General Operating Account, B.of.A.

CCM-677 3-86 (Rev. 1-87)

Recycled Paper

3

Bank of America

☐ SF ☑ LA

Remittance Processing Form: California

CUSTOMER NAME: Plaza Entertainment, Inc.

Date: August 10, 1998

LOCKBOX #: 1417700892

Implementation Manager: Alicia Middleton, 310-785-6063

Phone: 213-852-1800

WHOLESALE CHECK CRITERIA

	DEFAULT:	OPTIONS:
PAYMENT IN FULL:	DEPOSIT CHECK	☐ DO NOT PROCESS, RETURN CHECK
WRITTEN AND NUMERIC CHECK AMOUNT DIFFER:	DEPOSIT CHECK FOR WRITTEN AMOUNT.	☐ IF DIFFERENCE IS $1000 OR LESS, DEPOSIT CHECK FOR AMOUNT THAT MATCHES INVOICE/COUPON. IF NO INVOICE/COUPON, NEITHER AMOUNT MATCHES INVOICE/COUPON, OR THE WRITTEN AND NUMERIC AMOUNT OF CHECK DIFFER BY MORE THAN $1000, DEPOSIT FOR WRITTEN AMOUNT. ☐ OTHER ______
PAYEE MISSING/ILLEGIBLE:	STAMP PAYEE LINE WITH CUSTOMER NAME AND DEPOSIT CHECK	☐ DO NOT PROCESS, RETURN CHECK
UNSIGNED:	IF CHECK IS $1,000 OR LESS, STAMP CHECK "CONTACT MAKER FOR AUTHORITY TO PAY" AND DEPOSIT CHECK	☐ DO NOT PROCESS, RETURN CHECK
DATE MISSING:	DEPOSIT CHECK	☐ DO NOT PROCESS, RETURN CHECK
POSTDATED:	DEPOSIT CHECK	☐ DO NOT PROCESS, RETURN CHECK
STALE-DATED (BEYOND 6 MONTHS):	DEPOSIT CHECK	☐ DO NOT PROCESS, RETURN CHECK
FOREIGN CHECKS:	CANADIAN CHECKS: PROCESS, CONVERT IF NOT U.S. DOLLARS AND DEPOSIT. RETURN ALL OTHERS.	☐ DEPOSIT CANADIAN CHECKS. SEND FOREIGN CHECKS FOR COLLECTION AND DEPOSIT FUNDS LESS COLLECTION CHARGES UPON RECEIPT. ☐ OTHER

MAILING INSTRUCTIONS

Send daily package to the following address:*

Attn: Charles von Bernuth
PLAZA ENT., INC.
304 N. Edinburgh
Los Angeles, CA 90048

Send additional mailing to the following address:*

Attn: Tom Chang
CENTRAL VIDEO
P.O. Box 3955
Calexico, CA 92232

Attn: Joe Gerek
WRS FILM + VIDEO LABS
1000 Napor Blvd.
Pittsburgh, PA 15205

Send package via:

☑ FIRST CLASS MAIL ☐ POST OFFICE EXPRESS

☐ INTERBRANCH-MAIL BRANCH NAME & UNIT #: ______

☐ EXPRESS MAIL ______

EXPRESS MAIL COMPANY: ______

BILLING NUMBER: ______

☐ COURIER: ☐ NEXT DAY ☐ SAME DAY DELIVERY TIME: ______

COURIER NAME: ______

☐ COURIER TO BILL CUSTOMER DIRECT

OUTPUT REQUIRED: ☐ CHECK PHOTOS ☐ ADVICE COPY

☐ REMITTANCES ☐ OTHER ______

Send additional mailing via:

☑ FIRST CLASS MAIL ☐ POST OFFICE EXPRESS

☐ INTERBRANCH-MAIL BRANCH NAME & UNIT #: ______

☐ EXPRESS MAIL ______

EXPRESS MAIL COMPANY: ______

BILLING NUMBER: ______

☐ COURIER: ☐ NEXT DAY ☐ SAME DAY DELIVERY TIME: ______

COURIER NAME: ______

☐ COURIER TO BILL CUSTOMER DIRECT

OUTPUT REQUIRED: ☐ CHECK PHOTOS ☐ ADVICE COPY

☐ REMITTANCES ☐ OTHER ______

* Note: If package sent by courier, use street address only. Courier cannot deliver to post office box.

Bank Representative: Please send a copy of this form to Customer for their records and review.

Customer: Please review this Application Form and call your Bank of America representative immediately with any questions or corrections.

CUSTOMER NAME: Plaza Entertainment, Inc.

LOCKBOX #: 1417700892
Date: August 10, 1998

RETURNED ITEM INSTRUCTIONS

DEFAULT: BANK WILL RECLEAR A CHECK ONCE WHICH HAS BEEN RETURNED AND MARKED "REFER TO MAKER" . "NOT SUFFICIENT FUNDS", OR "UNCOLLECTED FUNDS". IF A CHECK IS RETURNED FOR ANY OTHER REASON OR IF A CHECK IS RETURNED A SECOND TIME, BANK WILL DEBIT YOUR DEPOSIT ACCOUNT AND RETURN THE CHECK TO YOU.

OPTIONS:

1ST TIME RETURN

- ☐ DO NOT RECLEAR. DEBIT DEPOSIT ACCOUNT
- ☐ DO NOT RECLEAR. CHARGE ACCOUNT# ______
- ☐ BAMTRAC CDR Returned Item Detail (Also Submit BAMTRAC Setup Sheet)
- ☐ NOTIFY VIA TELEPHONE
  - NAME: Charles von Bernuth
  - PHONE#: 213-852-1800
  - ALTERNATE NAME: Eric Parkinson
  - PHONE#: 213-852-1800
  - ☐ ALL ITEMS ☐ ITEMS OVER $ ______
- ☐ DEDUCT RETURN ITEM INFO. FROM DAILY DEPOSIT SUMMARY RPTING (Not available with BAMTRAC)
- ☐ OTHER (DESCRIBE): ______

2ND TIME RETURN

- ☐ CHARGE ACCOUNT# ______
- ☐ NOTIFY VIA TELEPHONE
  - NAME: ______
  - PHONE#: ______
  - ALTERNATE NAME: ______
  - PHONE#: ______
  - ☐ ALL ITEMS ☐ ITEMS OVER $ ______
- ☐ DEDUCT RETURN ITEM INFO. FROM DAILY DEPOSIT SUMMARY RPTING (Not available with BAMTRAC)
- ☐ OTHER (DESCRIBE): ______

MAILING INSTRUCTIONS

DEFAULT: INCLUDE RETURNED ITEM WITH LOCKBOX WORK

OPTIONS: ☑ FIRST CLASS MAIL ☐ POST OFFICE EXPRESS ☐ INTERBRANCH MAIL BRANCH NAME/UNIT # ______

☐ EXPRESS MAIL EXPRESS MAIL COMPANY: ______ ☐ COURIER COURIER NAME: ______

☐ MAIL RETURNED ITEM TO: ______

☐ SEND DUPLICATE RETURNED ITEM ADVICE TO: ______

ADJUSTMENTS

DEFAULT: DEBIT AND/OR CREDIT DEPOSIT ACCOUNT AND MAIL WITH LOCKBOX WORK.

OPTIONS:

- ☑ DEBIT ACCOUNT#: Plaza Entertainment, Inc. General Operating Account #1417900891
- ☐ CREDIT ACCOUNT#: ______
- ☐ CREDIT/DEBIT SAME ACCOUNT AS RETURN ITEMS
- ☐ INCLUDE ADJUSTMENT WITH DAILY DEPOSIT SUMMARY RPTING (Not available with BAMTRAC)
- ☐ NOTIFY VIA TELEPHONE:
  - NAME: Charles von Bernuth PHONE#: 213-852-1800
  - ☐ ALL ITEMS ☑ ITEMS OVER $ 1,000.00

MISCELLANEOUS

PLEASE LIST AND EXPLAIN ALL OTHER SPECIAL PROCESSING PROCEDURES REQUIRED (Attach additional sheet if more space is needed):

Copy all statements to Plaza Ent. Inc. and the following two secured parties ~~until further notice:~~

Central de Video, S.A. de C.V.
P.O. Box 3955
Calexico, CA 92232 Attn: Tom Chang

WRS Film + Video, Inc.
1000 Napor Blvd.
Pittsburgh, PA 15205 Attn: Joe Gerek

RELATIONSHIP INFORMATION (For Bank Use Only)

SALES OFFICER: ______ UNIT #: ______ PHONE: ______

CSO/AA: ______ UNIT #: ______ PHONE: ______

COMPLETED BY: ______ UNIT #: ______ PHONE: ______

Bank Representative: Please send a copy of this form to Customer for their records and review.

OCM 738-CA 3-98 Customer: Please review this Application Form and call your Bank of America representative immediately with any questions or corrections.

IN WITNESS WHEREOF, each of the parties has caused this Service Addendum to be executed as of August 10, 1998, by its duly authorized officer(s).

CUSTOMER(S)

Plaza Entertainment, Inc.
(CUSTOMER'S LEGAL NAME)

Title: ERIC PARKINSON, PRESIDENT
(Print or Type)

CHARLES P. VON BERNUTH, C.O.O.
(CUSTOMER'S LEGAL NAME)

Title: [signature]
(Print or Type)

(CUSTOMER'S LEGAL NAME)

Title:
(Print or Type)

[SIGNATURE]

By: [signature]

Name: Charles P. von Bernuth
(Print or Type)

BANK(S)

(BANK NAME)

By:
(Signature)

Name:
(Print or Type)

Title:
(Print or Type)

By:
(Signature)

Name:
(Print or Type)

Title:
(Print or Type)

(BANK NAME)

By:
(Signature)

Name:
(Print or Type)

Title:
(Print or Type)

By:
(Signature)

Name:
(Print or Type)

Title:
(Print or Type)

FOR BANK USE ONLY

GCI Number(s):

Note: Up to three customer names can be listed above if the individual signing above has authorization to sign on behalf of all Customers. Any unused name blocks should be crossed out.

01/27/99

Plaza Entertainment Inc.
Transaction Detail by Account
January through December 1998

Type	Date	Num	Name	Memo	Amount	Balance
Check	11/09/98	5270	Rich Vessel		-384.00	-2,994.06
Check	11/09/98	5272	Kevin Stith	500.00	0.00	-2,994.06
Payment	11/09/98	3800296	ETD - Houston		2,607.27	-386.79
Check	11/10/98	5273	Lloyd's Camera	275.00	0.00	-386.79
Check	11/10/98	5274	Steadi Systems	film	-225.16	-611.95
Check	11/10/98	5275	Avon Rentals		-121.80	-733.75
Check	11/10/98	5276	Cash		-2,000.00	-2,733.75
Check	11/11/98	5277	Chapman		-175.09	-2,908.84
Check	11/11/98	5278	VOID		0.00	-2,908.84
Check	11/12/98	5279	VOID		0.00	-2,908.84
Check	11/13/98	5190	Alpha Enterprises	VOID: Returned $1...	0.00	-2,908.84
Check	11/13/98	Transfer	Plaza Entertainment, Inc.		500.00	-2,408.84
Check	11/15/98	5177	United Parcel Service - ...	x7x367 Returned 1...	0.00	-2,408.84
Check	11/15/98	5243	Nomadic Pictures	2nd Ebanezzer Pa...	0.00	-2,408.84
Check	11/15/98	5244	Nomadic Pictures	Ebanezzer Payment	0.00	-2,408.84
Check	11/15/98	5246		VOID:	0.00	-2,408.84
Check	11/15/98	5267	Avon Rentals	113.00	0.00	-2,408.84
Check	11/16/98	5280	Larry Milner Garret Truc...	2000.	0.00	-2,408.84
Deposit	11/16/98		Faber International Films	Short Term Loan	2,500.00	91.16
Check	11/17/98	5271	VOID		0.00	91.16
Check	11/17/98	5283	U. S. Postal Service	128.00	0.00	91.16
Payment	11/23/98	173187	Anderson Merchandisers		12,000.00	12,091.16
Payment	11/23/98	191717	Publishers Clearing House		11,400.00	23,491.16
Check	11/23/98	5284	Pat Lenhart	1200.00	0.00	23,491.16
Check	11/23/98	5287	U. S. Postal Service	Stamps	-210.00	23,281.16
Check	11/24/98	5281	Staples		-59.66	23,221.50
Check	11/24/98	5282	B & R Graphics	25.98	0.00	23,221.50
Deposit	11/24/98		Plaza Entertainment, Inc.	From General acct.	-20,000.00	3,221.50
Check	11/24/98	5288	B & R Graphics		-25.98	3,195.52
Check	11/24/98	5289	Home Depot		-650.00	2,545.52
Bill Pmt ...	11/25/98		American Waste Industri...		0.00	2,545.52
Check	11/25/98	Auto	Bank of America		-483.13	2,062.39
Check	11/25/98	5286	Dow R. Pursley		-2,796.12	-733.73
Check	11/27/98	5290	Cash		0.00	-733.73
Deposit	11/27/98			Deposit	1,004.60	270.87
Check	12/01/98	DM	Bank of America		-1,324.00	-1,053.13
Deposit	12/01/98			Deposit	50.00	-1,003.13
Check	12/02/98	5291	Plaza Entertainment - C...	6500.	0.00	-1,003.13
Check	12/02/98	5291	Plaza Entertainment - C...	VOID:	0.00	-1,003.13
Check	12/03/98		Plaza Entertainment, Inc.		1,700.00	696.87
Check	12/04/98	5285	Pat Lenhart	$1,200.00	0.00	696.87
Payment	12/07/98	5018935	Musicland		4,858.79	5,555.66
Deposit	12/07/98			Deposit	106.80	5,662.46
Check	12/08/98	5294	Cash		-2,631.00	3,031.46
Check	12/08/98	5295	Cash		-250.00	2,781.46
Check	12/08/98	5296	Susan Isaacs		-1,500.00	1,281.46
Deposit	12/09/98		Plaza Entertainment, Inc.		-1,400.00	-118.54
Check	12/15/98	5266	Chris Wyatt	VOID: Returned $1...	0.00	-118.54
Check	12/15/98	Transfer	Plaza Entertainment, Inc.		200.00	81.46
Check	12/15/98	5297	Larry Purfield	761.15	0.00	81.46
Check	12/28/98	DM	Bank of America		-635.06	-553.60
Check	12/29/98	1258	Plaza Entertainment, Inc.		600.00	46.40
Total Bank of America / General					46.40	46.40
Bank of America / Lock Box						
Check	07/20/98	Transfer	Plaza Entertainment, Inc.	Open Account	100.00	100.00
Total Bank of America / Lock Box					100.00	100.00
Bank of America / Payroll						
Check	07/20/98	Transfer	Plaza Entertainment, Inc.	Open Account	100.00	100.00
Check	08/03/98	5035	Plaza Entertainment - P...		30,000.00	30,100.00
Check	08/03/98	1001	Noah A. Cornman	VOID:	0.00	30,100.00
Check	08/03/98	1002	M N & N PARTNERS	VOID:	0.00	30,100.00
Check	08/03/98	1003	Ray Swartzman	8/1 7/15 7/1	-6,793.53	23,306.47
Check	08/03/98	1004	Robert Brown	8/1	-1,494.95	21,811.52
Check	08/03/98	1005	Mike Devitt	8/1/98	-1,620.95	20,190.57
Check	08/03/98	1006	David Anderson	8/1	-1,620.95	18,569.62
Check	08/03/98	1007	Ron Peek	8/1	-1,620.95	16,948.67
Check	08/03/98	1008	Brenda Drake	8/1	-1,649.55	15,299.12

HERKLOTZ AFFIDAVIT
EXHIBIT 8

OCT. 12. 1998 4:13PM NO. P.2/6

SERVICES AGREEMENT

THIS SERVICES AGREEMENT between WRS, Inc. ("WRS") and Plaza Entertainment, Inc. ("Plaza") and its principals—Eric Parkinson, Charles vonBernuth and Thomas Gehring, is made as of this 2nd day of October, 1998.

A. Plaza and WRS have an existing manufacturing and business relationship, and Plaza has an immediate need for (i) working capital financing ("Financing") and (ii) certain administrative services, including, generation of sales invoices, collection of accounts receivables, performance of general accounting and related record keeping functions, monitoring and maintenance of inventories of packaging, finished goods, returns processing and repackaging (collectively, the "Administrative Services").

B. Plaza also needs to purchase post production services and video dubs (copies) in the normal course of its business (collectively, "Production Services"), has been obtaining Production Services from WRS on an open account basis pursuant to that certain Credit Application given by Plaza to WRS and WRS' standard terms and conditions ("Standard Terms") of sale which are a part of the Credit Application. Plaza owes WRS approximately $685,379.88 as of August 31, 1998 (subject to review and verification thereof), plus applicable interest thereon, for Production Services previously performed by WRS (the "WRS Receivable").

C. WRS, to enhance and increase its business relationship with Plaza, Eric Parkinson, Charles vonBernuth and Tom Gehring, and protect its interest in the WRS Receivable, is willing to perform the Administrative Services and continue to perform Production Services for Plaza on the terms and conditions described in this Agreement (all invoices for Production Services performed by WRS after the date of this Agreement are referred to as "New Invoices").

In consideration of the mutual promises set forth in this Agreement, the parties agree as follows.

Section 1. Administrative Services. Plaza hereby appoints and employs WRS as Plaza's exclusive agent to perform the Administrative Services for Plaza. WRS accepts said appointment and agrees to perform the Administrative Services for Plaza in accordance with the terms and conditions set forth in this Agreement. The performance of all activities by WRS, including the maintenance of all bank accounts relative to the Administrative Services, shall be as the agent of and for account of the Plaza. Plaza and WRS agree to arrange for a "lock box" or other similar arrangement with National Bank of Canada, its successor or other financial institution (the "Bank") for receipt of payment of Plaza's accounts receivable and distribution of such receipts in accordance with the terms of this Agreement. As compensation for the

EXHIBIT
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8

Administrative Services, Plaza shall pay to WRS a monthly fee (the "Monthly Fees") equal to the greater of (i) $1,000 or (ii) one percent of the aggregate amount invoiced by WRS for Production Services during such month (but not to exceed $20,000 per month). In addition, Plaza shall reimburse WRS for all out of pocket expenses incurred by it in the performance of the Administrative Services (but excluding any personnel costs). WRS shall provide Plaza with a monthly statement setting forth the fees and expenses incurred on behalf of Plaza during such month, each of which shall be paid directly by Plaza to WRS within 30 days of the statement date. In the event any invoice remains unpaid after 30 days, WRS shall have the right to instruct the Bank to make payment of such invoice to WRS from the funds in the lock box account.

Section 1.1 Distribution of Lockbox Funds. The parties agree that until such time as all amounts owed to WRS by Plaza are less than 60 days, WRS shall instruct the Bank to distribute the funds in the lockbox account on a weekly in accordance with the following procedures:

1. With respect to each payment made by a customer of Plaza which is received during such week, WRS shall match such payment to the WRS invoice to Plaza for the products which are the subject of such customer's payment. If the payment (i) relates to the WRS Receivable then WRS and Plaza shall instruct the Bank to distribute an amount equal to 50% of each such payment to WRS and (ii) (ii) relates to a New Invoice then WRS and Plaza shall instruct the Bank to distribute an amount equal to 30% of each such payment to WRS;

2. WRS shall instruct the Bank to distribute the remaining funds to Plaza or in accordance with Plaza's instructions.

It is the intention of the parties that the arrangement contemplated above will result in each New Invoice being paid in full within 60 days of the date of such invoice. To the extent that New Invoices are not kept current under the distribution arrangement set forth above the parties agree to negotiate in good faith an appropriate distribution arrangement which will keep Plaza current on New Invoices; provided however in no event shall any New Invoice remain unpaid for more than 89 days after the date of such New Invoice.

Section 1.2 Incentive. As an incentive to foster the business relationships contemplated by this Agreement and to provide financial assistance to Plaza, WRS agrees to provide Plaza a credit against the WRS Receivable equal to fifty cents on the first 300,000 dubs that WRS produced for Plaza, such credit to be applied on the first anniversary of this Agreement or such earlier date as Plaza shall become current on all outstanding invoices from WRS; provided, however, such credit shall only be made if Plaza has fully complied with the terms of this Agreement.

Section 2 WRS' Internet Web Site. WRS agrees to place all of Plaza's titles, including the Hemdale titles, on WRS' Internet Web Site at full retail prices to obtain additional marketing exposure for Plaza.

Section 3 Assistance. WRS agrees to assist Plaza in its efforts to obtain adequate and appropriate financing with National Bank of Canada and/or other entities WRS deems appropriate, by effecting introductions to such entities, and if required, by partially subordinating its security interests in the WRS Receivable provided that the proceeds of such financing are used to satisfy a portion of such Receivable. Any resultant financing will be subject to Plaza's approval. It is mutually agreed that Plaza and its principals, Eric Parkinson, Charles vonBernuth and Tom Gehring (collectively, the "Principals"), will execute such documents as are required to accomplish the foregoing and to confirm that WRS shall have a security interest in all proceeds from all business activities of Plaza from any and all sources (excluding video kiosks), and/or any future entity WRS may designate to perform this function by until further notice; provided, however, that at such time as Plaza shall be current on payment of all invoices, the security interest in proceeds granted to WRS under this Section shall be limited to the proceeds of Plaza's distribution activities in the United States.

Section 4 Production Services. Plaza agrees that WRS shall have the sole and exclusive rights to perform Production Services for Plaza for all videos to be distributed in the United States, and WRS agrees to perform such Production Charges for Plaza in accordance with the current prices between WRS and Plaza in effect (copy attached) and reviewed annually. All other WRS services not listed that Plaza requires will be discounted 25% from WRS' then published prices. Plaza further agrees that WRS shall be its exclusive supplier of dubs and all of those other services WRS routinely provides for Plaza's product delivery to its domestic and international clients.

Section 5 Term. This Agreement shall remain in effect until such time as the WRS Receivable and New Invoices shall have been paid in full. Thereafter, either party shall have the right to terminate this Agreement by giving the other party ninety days' written notice of termination. In the event of price disagreements at any annual price renegotiation contemplated in Section 4, WRS shall have the right of first refusal, but not the obligation to match any bona fide written competitive offers made by other first class laboratory facilities. It is mutually agreed that any such price reductions shall be correspondingly matched with the caliber and quality of workmanship and materials as are being offered by the competitive laboratory.

Section 6 Security Interest; Financial Information; Guaranty. Plaza hereby acknowledges that Plaza has granted WRS a security interest in certain collateral (the "Collateral") described in the UCC-1 Financing Statements previously filed with the Secretaries of State of California and Pennsylvania, copies of which are is attached to this Agreement, and agrees that it shall execute such documents as may be reasonable required by WRS to maintain the effectiveness of such filings and to protect WRS' interest in such Collateral to the extent reflected on such Financing Statements. In addition, Plaza shall provide WRS and/or National Bank of Canada with all such financial information concerning Plaza as WRS and/or National Bank of Canada shall reasonably request in order that WRS and/or National Bank of Canada can monitor Plaza's financial position and WRS can provide such administrative assistance as Plaza may from time to time require. In the event of a breach by Plaza of any of the terms of this Agreement or in the event Plaza shall become insolvent, WRS shall have the right to exercise any and all remedies as a secured creditor provided by provisions of the Uniform Commercial Code in effect where such Collateral is located. As a further inducement to WRS to enter into this Agreement, each of the Principals hereby guarantee the performance by Plaza of its obligations under the terms of this Agreement, including the payment of the WRS Receivable and New Invoices, and any other charges, expenses (including reasonable attorney's fees) and costs reasonably incurred by WRS in any proceeding to enforce any of the terms of this Agreement (collectively, the "Collection Expenses")

Section 7 Acknowledgements. The parties acknowledge and agree that this Agreement is intended to set forth the parameters of a working relationship which will promote their individual interests and to provide with WRS with incentives to continue to perform Production Services for Plaza. Accordingly, the parties agree to negotiate in good faith to establish the procedures necessary, and to execute any and all documents and further agreements that may be reasonably required, to more fully implement the terms of this Agreement.

Plaza Entertainment

By ______________________
Title:

____
Witness

____
Tom Gehring, Principal

____
Witness

____
Charles vonBernuth, Principal

____
Witness

____
Eric Parkinson, Principal

____
Witness

WRS, Inc.

By ______________________
Title:

HERKLOTZ AFFIDAVIT
EXHIBIT 9

Fax receipt will not be confirmed by phone unless requested.

JENKENS & GILCHRIST
SOLISH, ARBITER & GEHRING
A Professional Corporation
12100 WILSHIRE BOULEVARD
FIFTEENTH FLOOR
LOS ANGELES, CALIFORNIA 90025
(310) 820-8800
TELECOPIER (310) 820-8859

Other Offices:

Austin
Dallas
Houston
San Antonio
Washington, D.C.

To:	**ERIC PARKINSON**
Company:	Plaza Entertainment
Telecopier #:	(213) 852-1808
Phone #:	(213) 852-1800
From:	Thomas G. Gehring, Esq.

• MESSAGE •

Eric, let's discuss the WRS agreement. I certainly suggest that the individuals do not sign it. Only you should sign it as "President" of Plaza Entertainment, Inc. -- otherwise you might be inadvertently personally guaranteeing the contract. I have attached a draft of the agreement with some suggested revisions.

Tom

NOTICE OF CONFIDENTIALITY

The information contained in and transmitted with this facsimile is

1. SUBJECT TO THE ATTORNEY-CLIENT PRIVILEGE;
2. ATTORNEY WORK PRODUCT; OR
3. CONFIDENTIAL.

It is intended only for the individual or entity designated above. You are hereby notified that any dissemination, distribution, copying, or use of or reliance upon the information contained in and transmitted with this facsimile by or to anyone other than the recipient designated above by the sender is *unauthorized and strictly prohibited*. If you have received this facsimile in error, please notify Jenkens & Gilchrist, Solish, Arbiter & Gehring, a professional corporation by telephone at (310) 820-8800 immediately. Any facsimile erroneously transmitted to you should be immediately returned to the sender by U.S. Mail, or if authorization is granted by the sender, destroyed.

If you do not receive all pages, please call: (310) 820-8800

Time: 11:21 am **Date:** October 15, 1998 **Billing #:** 66086-002 **Total # of Pages (+ Cover):** 5

EXHIBIT 9

HERKLOTZ AFFIDAVIT
EXHIBIT 10

STATEMENT
Jenkens & Gilchrist
A PROFESSIONAL CORPORATION

PAYMENT REMITTANCE ADDRESS:
P.O. BOX 910093
DALLAS, TEXAS 75391-0093
TAX ID #75-2204006

OFFICE LOCATIONS:
AUSTIN, TEXAS
DALLAS, TEXAS
HOUSTON, TEXAS
LOS ANGELES, CALIFORNIA
SAN ANTONIO, TEXAS
WASHINGTON, D.C.

AMERICAN HAPPENINGS, INC.
11875 PRADERA RD
CAMARILLO, CA 93012-0000

December 11, 1998

Client: 66001
Matter: 00001

Regarding: SANTA MONICA PICTURES

Attorney: THOMAS G. GEHRING

STATEMENT SUMMARY

BILL DATE	INV NO.	ORIGINAL AMT.	PAYMENTS	CURRENT BALANCE
02/16/98	522624	$9293.60	($3201.12)	$6092.48
02/28/98	526895	$3500.00	$.00	$3500.00
03/25/98	531023	$3252.92	$.00	$3252.92
04/24/98	539360	$6536.10	$.00	$6536.10
05/21/98	546309	$3555.75	$.00	$3555.75
06/18/98	552807	$57.80	$.00	$57.80
07/28/98	563012	$2798.80	$.00	$2798.80
08/14/98	566880	$20956.10	$.00	$20956.10
10/30/98	590572	$69299.08	$.00	$69299.08
11/17/98	597047	$788.55	$.00	$788.55
12/07/98	601141	$1070.00	$.00	$1070.00

TOTAL AMOUNT DUE: $117,907.58

For billing inquiries or duplicate invoice copies,
call 214-855-4051
Duplicate invoice: Press # "1"
Billing inquiries: Press # "2"

EXHIBIT
tabbies
10

HERKLOTZ AFFIDAVIT
EXHIBIT 11

PLAZA ENTERTAINMENT, INC
DBA FAMILY UNIVERSAL NETWORK
304 N. EDINBURGH AVE (323) 852-1800
LOS ANGELES, CA 90048

BANK OF AMERICA
CENTURY CITY MAIN BRANCH 0747 (310) 247-2080
2049 CENTURY PARK EAST
LOS ANGELES, CA 90067
16-66-1220

2370

6/29/1999

PAY TO THE ORDER OF WRS $ **100,000.00

One Hundred Thousand and 00/100** DOLLARS

WRS

MEMO

Security features included. Details on back.

081064/3-90

MP

⑈002370⑈ ⑆122000661⑆ 07477⑈12896⑈

PLAZA ENTERTAINMENT, INC

WRS	payment on account	6/29/1999	2370
			100,000.00

BofA/General	100,000.00

EXHIBIT
tabbies
11

HERKLOTZ AFFIDAVIT
EXHIBIT 12

WLS

Schedule of Open Billings per Plaza

Page 1 of 2

Prepared By

Approved By

Date	Inv	Statement 3/31/98 Original Estimate	Balance		Remaining Amount	Amount	Orig Backdues 1999	Amount	Month
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Totals

Finance charges

Open credit

EXHIBIT 12
tabbies

HERKLOTZ AFFIDAVIT
EXHIBIT 13

BWH

BURNS, WHITE & HICKTON
A LIMITED LIABILITY COMPANY
ATTORNEYS AT LAW

John P. Sieminski
Attorney at Law

(412) 995-3061
jpsieminski@bwhllc.com

Four Northshore Center
106 Isabella Street
Pittsburgh, PA 15212
(412) 995-3000 • FAX (412) 995-3300

May 23, 2006

Via Facsimile (412) 341-9996

Thomas E. Reilly, Esquire
2025 Greentree Road
Pittsburgh, PA 15220

RE: **WRS, Inc. d/b/a WRS Motion Picture Laboratories v. Plaza Entertainment, Inc., Eric Parkinson, Charles von Bernuth and John Herklotz**
U. S. District Court for the Western District of PA, C.A. No. 00-2041
Our File No.: 02514/129966

Dear Tom:

Upon review of the information provided by Jack Napor at the meeting on May 15, 2006, which purports to be the support for the claim of $1,324,841.61 per the Complaint, John Herklotz has noted that there are a number of errors in the scheduled. Below are examples of some of the errors noted by Mr. Herklotz:

Page	Line	
1	27	(1) No amount – see attached pages.
1	29	(2) $2398 – apparently should be $239.80. Also, see Page 2 – Lines 51, 52, 44, 75 and other pages
2	47	(3) Total should be $32,128.56
	59	(4) Anderson – was this paid or still open? Why not on original statement?
	61-63 65-67	(5) Duplicated items

EXHIBIT
tabbies
13

Page	Line	
3	112-114	(6) Apparently WRS has no invoices
	100	(7) 36,088 shown as quantity – not related to dubs produced. Such figures should not be shown
9	330-2-4 etc.	(8) Could not find

It is hoped that prior to the June 5th meeting WRS can come up with schedules that tie in with the $1,324,841.61 figure in the Complaint, and it is suggested that they also break down those figures as done by Mr. Herklotz on the attached pages.

I look forward to discussing this with you.

Very truly yours,

John P. Sieminski

JPS/tlc
cc: Mr. John Herklotz

HERKLOTZ AFFIDAVIT
EXHIBIT 14

PLAZA ENTERTAINMENT, INC.

Family Universal Network ("F.U.N.-Co." Video)

SALES PROJECTIONS FOR VIDEO RELEASES

Period From May 1, 1998 - to - April 30, 1999

Giant Of Thunder Mountain	$10,972,500
Ragtime	$9,975,000
Puss In Boots	$3,737,500
Velveteen Rabbit	$2,992,500
Darkest Hour	$1,236,813
Island Feature	$1,121,250
God's Country	$747,500
Dog's World	$747,500
Twisted 1	$615,560
20,000 Leagues Under Sea	$598,000
Around The World 80 Days	$598,000
Journey To Center of Earth	$598,000
Second City / Chris Farley	$560,625
Waterspider	$560,625
Pumpkin Man	$497,500
Pistol: Birth Of A Legend	$448,500
Gnome's Great Adventure	$448,500
Twisted 2	$419,700
Oscar & Friends	$388,500
Twisted 3	$314,775
Gnome's Christmas	$298,500
Stitches Christmas	$298,500
Winslow The X-Mas Bear	$298,500
Story of Christmas	$298,500
Three Muskahounds 1	$259,000
Three Muskahounds 2	$259,000
Destiny of Marty Fine	$230,835
Stitches Valentine	$199,000
Three Muskahounds 3	$194,250
Quest of Delta Knights	$186,875
Cat City	$174,875
Father Frost	$149,250
Treasure Island	$112,125
Elm-Chanted	$112,125
Treasure Of Swamp Castle	$112,125
Boogie Woogie Whale	$74,750

TOTAL SALES PROJECTION **$40,837,058**

EXHIBIT
tabbies
14

HERKLOTZ AFFIDAVIT
EXHIBIT 15

08/29/98

Plaza Entertainment Inc.
Transactions by Account
As of August 29, 1998

Type	Date	Num	Name	Clr	Split	Amount	Balance
Loans							
John Herkotz							0.00
							0.00
Deposit	09/18/97				Bank Of Ame...	15,000.00	15,000.00
Deposit	10/21/97		John Herklotz		Imperial Bank	100,000.00	115,000.00
Deposit	12/31/97		John Herklotz		Imperial Bank	10,000.00	125,000.00
Deposit	01/20/98		John Herklotz		Imperial Bank	20,000.00	145,000.00
Deposit	01/20/98		John Herklotz		Imperial Ban...	20,000.00	165,000.00
Deposit	02/02/98		John Herklotz		Imperial Ban...	7,000.00	172,000.00
Deposit	02/26/98		John Herklotz		Imperial Bank	53,000.00	225,000.00
Deposit	03/05/98		John Herklotz		Imperial Bank	18,000.00	243,000.00
Deposit	03/17/98		John Herklotz		Imperial Bank	16,000.00	259,000.00
Deposit	03/19/98		John Herklotz		Imperial Bank	6,000.00	265,000.00
Check	03/24/98				Imperial Bank	-8,000.00	257,000.00
Deposit	03/31/98		John Herklotz		Imperial Bank	125,000.00	382,000.00
Deposit	04/06/98		John Herklotz		Imperial Bank	135,000.00	517,000.00
Deposit	04/13/98		John Herklotz		Imperial Bank	30,000.00	547,000.00
Check	06/01/98	1494	John Herklotz		Imperial Bank	-100,000.00	447,000.00
Total John Herkotz						447,000.00	447,000.00
Total Loans						447,000.00	447,000.00
TOTAL						447,000.00	447,000.00

EXHIBIT
tabbles
15

M.21

HERKLOTZ AFFIDAVIT
EXHIBIT 16

PLAZA ENTERTAINMENT, INC.

Family Universal Network F.U.N.

Producer and Distributor of Quality Family Programming

EXHIBIT 16

MINUTES OF MEETING

THE BOARD OF DIRECTORS PLAZA ENTERTAINMENT, INC. SATURDAY, MARCH 28, 1998

The meeting was held at the Los Angeles offices of Jenkins & Gilchrist, a law firm located located at 12600 West Wilshire Boulevard, 15th floor, in the City of Los Angeles, State of California, 90066. The meeting was held on the twenty-eighth day of March, Nineteen Hundred and Ninety Eight at 10:00 a.m., Pacific Standard Time.

The Following Directors were present::

John C. Herklotz -- Chairman Of The Board
Eric Parkinson -- President and Secretary;

Thomas Gehring, Esq., was in attendance as an invited guest of the board, and in the capacity of providing legal commentary and corporate counsel. Charles von Bernuth, an officer in American Happenings, Inc., was also in attendance as an invited guest of John C. Herklotz.

The following are points of discussion which were on the Agenda and the respective discussions, where necessary, of each point, and which, as of this date, require no further board actions other than those specified below:

1). RATIFICATION OF MINUTES OF PREVIOUS MEETING -- Parkinson described a Board meeting that was held in the Plaza, Los Angeles offices in October, 1997 at which time board members Herklotz and Parkinson approved the opening of a corporate bank account at Imperial Bank, Los Angeles, along with the acceptance of approximately USD $140,000 in loans to the company from John C. Herklotz. However, the minutes of this meeting were not completed for the board's review or ratification. Parkinson also described a prior board meeting that was held at the Austin, TX offices of Jenkins & Gilchrist in September of 1997, at which time the company accepted the resignation of Gordon R. Granger as Chairman, following the unanimous election of John C. Herklotz to the board in that same position. It was suggested that the details of this transaction, along with the Board's acknowledgment that Herklotz had purchased Granger's 50% stake in the company's stock also be drafted into formal Board minutes. However, as neither Parkinson nor Jenkins & Gilchrist had completed the drafting of formal minutes of these two meetings, Parkinson moved that the board waive the ratification of the minutes at this time. Herklotz seconded the motion, and the motion passed unanimously to defer ratification of the September and October 1997 Board meetings until such time that the minutes could be formally written and reviewed.

2). ELECTION OF ADDITIONAL BOARD MEMBERS -- Parkinson suggested that the number of Board members be increased (to a level closer to the corporate by-laws suggesting a five member board). Parkinson nominated Charles von Bernuth to the position of Board member and Treasurer. Herklotz seconded the motion, and it was unanimously approved. Parkinson then suggested that Thomas Gehring be elected to the Board as a voting member (without a specific corporate title). Herklotz seconded the motion, and it was unanimously approved.

3) *PRESIDENT'S REPORT* -- Parkinson presented the Board with details of the marketing plans currently underway for the May releases of "The Giant Of Thunder Mountain" and "Twisted." The printed reports included a sales forecast for both titles totaling approximately USD $10-million in gross billings, along with a cash requirement chart showing an imminent need for approximately USD $1.5-million in marketing and overhead funds in order to achieve the sales goals. The film "Twisted" was being marketing primarily on the star power of the case, especially Geoffrey Rush. However, over 90% of the sales were expected to be generated by "The Giant Of Thunder Mountain", due in large part, Parkinson said, to the multifaceted cross-promotional support arranged by Herklotz through his association with the Children's Miracle Network. Parkinson said that Plaza had recently hired several sales representatives from Hallmark Ent., and Cabin Fever Ent., and that these representatives and the company's retail and wholesale customers were expressing nearly unanimous enthusiasm and support for the release of "The Giant Of Thunder Mountain." However, consolidations, mergers and closings amongst independent home video distributors during the past few years had created a foundation of skepticism that Plaza would be successful in "delivering" the promotions and advertising that would be required to sell (approximately) one-million videos through the market. This attitude, Parkinson said, was the company's primary perception obstacle... defeatable simply by implementing the pre-sale trade advertising and marketing campaign as quickly as possible, then following through in mid-to-late May with the appropriate level of consumer advertising to drive the requisite re-orders.

4) *DISCUSSION OF FINANCING SOURCES* -- A discussion ensued among the Board members regarding some of the options available to the company to secure the required marketing and operational funds. Although several potential lenders were mentioned (i.e., Imperial Bank, Santa Monica Bank, The Lewis Horwitz Organization), it was agreed that the start-up nature of Plaza as a business, combined with the company's current financials (consisting of two marginal -- or loss years -- followed by only "pro-forma" sales and profits) would most likely be disregarded by most conventional lending institutions. Accordingly, it was suggested that a loan would likely need to be supported by a personal guarantee of John Herklotz, with the possibility of some of Herklotz's assets also pledged; additionally, it was suggested ~~by Charles von Bernuth that the equity~~ in his ~~residence in Camarillo, California, may provide up to $500,000~~ in additional collateral if required. Charles von Bernuth suggested that the Board consider the acceptance of a loan from himself of approximately USD $20,000, and an additional sum of approximately USD $80,000 from his father to provide the company with interim working capital. Parkinson seconded the motion, and the Board voted unanimously to accept the loans from Charles von Bernuth and his father, under the terms that the loans would be paid back as quickly as reasonably possible, but not later than 120 days, with interest to be paid only at whatever rate charged to Charles or his father for the use of the funds during the life of the loan. John Herklotz then suggested that his majority stock position in the Tesuque Radio Corp. (New Mexico) may be desirable collateral for a loan to Plaza. He also suggested that he may be in a position to facilitate the purchase (or surrendering) of the majority shareholder position in Tesuque Radio Corp., which may further strengthen this asset as pledgable collateral. Thomas Gehring mentioned several contact names at the Santa Monica Bank who may be receptive to reviewing Plaza's business plans and loan requirements. After more than 30 minutes of general discussion, it was determined that each Board member would pursue whatever means reasonably available, but to do so under the direction of John C. Herklotz, who would be spearheading the company's search for capital. Charles von Bernuth agreed to provide Gehring with documentation relative to his residential real estate collateral pledge, as stand-by assets in the event additional collateral would be requested from Santa Monica Bank or other lending institutions.

5) *ACCEPTANCE OF NEW TITLE ACQUISITIONS* -- Parkinson described to the Board the terms of three new programs offered to Plaza for home video release. "Pistol: Birth Of A Legend" and "Quest Of The Delta Knights" both entailed back-end guarantees, payable over time, but no advance. "Destiny of Marty Fine" had no guarantee or advance, royalties only at a reduced rate of 15%, and also included an option on the film director's next feature, a multi-million dollars thriller with several stars. The Board unanimously approved the deal structure for all three titles.

6). CALIFORNIA YOUTH THEATRE -- Parkinson described to the Board the support that John C. Herklotz had pledged to C.Y.T. from his charitable trust, along with a generous cash donation, cumulatively totaling USD $300,000. Parkinson also described some of the benefits that may be available to Plaza if the company were to become a sponsor of the group by means of purchasing an "option" to film and distribute programming created by the group (for example, one of the programs anticipated would be a staged presentation of Shakespeare's "Macbeth" starring His Royal Highness Prince Edward, with a special appearance by Sean Connery; other programs include fairy-tale theater, youth symphony, popular musicals and dance). Under the plan proposed to Plaza by The California Youth Theatre (presented, actually by C.Y.T.'s primary sponsor, Paramount Studios), Plaza would pay to C.Y.T. on an annualized basis the sum of fifty-thousand dollars (USD $50,000). In consideration of this payment, Plaza would retain the exclusive option to film (or videotape) and market any of the productions or programs for which C.Y.T. would control these rights. There would be a royalty paid to C.Y.T. (to be negotiated in good faith on a title-by-title / program-by-program basis) from which the annual payment of $50,000 would first be recouped to Plaza. Due to the fundamental business sense of this arrangement, combined with the intangible -- but anticipated -- business benefits to be presented Plaza as a result of assuming such a close association with Paramount and its affiliated companies, Parkinson moved that the Board accept this proposal, and make a commitment to C.Y.T. for five years (cancelable at anytime at Plaza's sole discretion). Herklotz seconded the motion, and the matter was unanimously approved.

7). OTHER ACQUISITION OPPORTUNITIES -- Parkinson described to the Board several major releases that were available for Plaza to acquire. He discussed the importance of having a "major" title for the company to release each calendar quarter, due to the need for collections leverage, market presence, and locomotive support of the lesser titles already distributed by the company. He expressed concern after viewing the company's previously acquired, but just completed, animated film, "Puss In Boots" from Nibbelink Productions. The quality of the animation, Parkinson said, was not comparable to Nibbelink's previous works, including the Academy Award winner "Who Framed Roger Rabbit?". Therefore, Parkinson said that the film should probably be released a $14.95 suggested retail (instead of the previously anticipated $19.95 s.r.p.), and that the further step be taken to "package" along with the video a 32-page "storybook" to enhance Parkinson's marketing approach that the film is the world's first "living storybook.". Parkinson's top prospect for the company to consider as an "A" title is the Showcase Entertainment project in post-production known as "The Adventures of Ragtime." This film stars SHELLY LONG ("Cheers"), JAY THOMAS ("Mr. Holland's Opus") and JUSTIN COOPER (Jim Carrey's son in "Liar, Liar", and the star of Warner's new "Dennis The Menace Strikes Again"). Parkinson stated his belief that the film could be successful as a THEATRICAL release, which would serve as a foundation for a very successful release from Plaza to the sell-thru video market. Although there were no specific deal terms, Showcase had been aggressively pursuing Parkinson, and he told the Board that he felt it was possible for the company to acquire the film under very favorable terms. Parkinson also mentioned a film that may be produced in the summer utilizing off-balance sheet financing (specifically, foreign rights pre-buys arranged by Morris Asgar, a former production colleague of Parkinson's). The project, "Daddy's Little Hero" would be produced for approximately $250,000, although shot on 35mm, and starring Dan Haggerty. The logic of the project, Parkinson expressed, was that the proposed deal offered Plaza a no-risk opportunity to own the movie in perpetuity (by utilizing foreign financing), and that the most recent Dan Haggerty family film released to video, "Grizzly Mountain" had already sold more than 400,000 video units for LIVE Ent. at $19.95 sugg. retail. No Board action was taken on any of the above projects.

8). HEMDALE LIBRARY -- Parkinson described the status of this potential acquisition. No other bidders were expected to try to beat the American Happenings, Inc. offer of USD $340,000 cash, plus a $100,000 one-year note... primarily, Parkinson said, due to the support that most of the program suppliers had already pledged to the concept of an American Happenings / via Plaza Ent., Inc. re-issue of their programs onto video. However, the timing was still protracted, due to legal requirements. American Happenings would still need to make a settlement agreement with Larry Abramson, to be effective if the purchase were approved, which deal would need to be part of the Trustee's filing with the court. Once the filing were made, approximately 60 days would transpire prior to the completion of American Happening's "due diligence." At any time during the due diligence period, and for any reason at the sole discretion of American Happenings, the deal can be canceled. The schedule provided to Parkinson by David Isenberg (counsel for the Hemdale Trustee), indicated that a hearing may occur on or about May 19, 1998, at which time any "objections" to the sale would be ruled upon by the judge, and following which the "due diligence" period would commence.

9). ***NATIONAL ASSOCIATION OF VIDEO DISTRIBUTORS*** – Parkinson discussed an important video industry convention that was to occur in mid-April, the N.A.V.D. show, at which most of Plaza's principal wholesaler customers would be receiving mandatory presentations on Plaza. At these presentations, it would be expected that Plaza would to present a forecast of upcoming releases for the remainder of the year (which is the primary purpose of this trade show), as well as present the company with a solid forum to present additional marketing information and tips on "The Giant Of Thunder Mountain" and "Twisted." Parkinson suggested that the company prepare a business plan / outline feature acquired titles and pro-forma titles that could be presented at the N.A.V.D. in a "confidential" forum in order to support the perception that Plaza was a legitimate distributor of many films (not just "The Giant Of Thunder Mountain"), and was therefore worthy of the wholesaler's support. Charles von Bernuth suggested that the business plan / schedule was probably a good idea, to the extent that: the pro-forma titles and release schedule would not subject the company to any unreasonable liabilities, nor infringe upon the rights of the program licensors, or disclose too many confidential details of Plaza's financing or costs. Parkinson stated that "pro-forma" business plans were the norm at N.A.V.D., even for the major studios who would discuss properties such as "Lethal Weapon 5" before "Lethal Weapon 4" had even been shot.

THERE BEING NO FURTHER BUSINESS, THE MEETING WAS ADJOURNED AT 11:30 a.m., P.S.T.

RESOLVED, that all actions and decisions to the date hereof of the officers of the Corporation, where such persons have been acting in the capacity of the offices which they hold are hereby ratified and confirmed.

ERIC PARKINSON, President / Secretary

Dated As of the Twenty-eighth Day of March, 1998

HERKLOTZ AFFIDAVIT
EXHIBIT 17

07/18/2001 01:44PM Library Video

PAGE 002 OF 002

LIBRARY VIDEO COMPANY
OUTSTANDING EDUCATIONAL MEDIA AT BUDGET-FRIENDLY PRICES SINCE 1985
P.O. Box 580, Dept. A/P Tel: (610) 645-4000
Wynnewood, PA 19096 Fax: (610) 645-4090

Rec'd 7/18/01

FAX 1-412-922-1020

PURCHASE ORDER

PURCHASE ORDER #
000054199

DATE	TERMS	SHIP VIA	F.O.B.	DATE REQUIRED
07/18/01	Net 60 DAYS	UPS GROUND	DESTINATION +$100	08/01/01

VENDOR

JOE SHIELDS
PLAZA ENTERTAINMENT INC.
WRS FILM & VIDEO LABS INC.
100 NAPOR BLVD
PITTSBURGH, PA 15205

SHIPPING INSTRUCTIONS

FUN Ship to: LIBRARY VIDEO COMPANY
BUILDING D
1100 E. HECTOR STREET
CONSHOHOCKEN, PA 19428

AUTHORIZED BY / CONTACT MAI NGUYEN

TITLE ID NUMBER	QTY	UNIT OF MEASURE	TITLE DESCRIPTION	DATE REQUIRED	UNIT PRICE	EXTENDED AMOUNT
7003 CLAM	10		Legend of the North Wind (The)	08/01/01	4.4775	44.77
7015 CLAMSHELL	1		Treasure Island (Animated 1997)	08/01/01	4.4775	4.47
7047 CLAMSHELL	6		20,000 Leagues Under the Sea	08/01/01	4.4800	26.88
7048 CLAMSHELL	7		Around the World in 80 Days	08/01/01	4.4775	31.34
7049 CLAMSHELL	3		Journey to the Center of the Earth (JVA)	08/01/01	4.4775	13.43
7080 CLAMSHELL	4		Magic Voyage, The	08/01/01	4.4775	17.91

SPECIAL INSTRUCTIONS

Please be sure and fax back our PO cover sheet to confirm your receipt of this PO. Indicate your expected ship date, and inform us of any BO's, DO NOT CANCEL BO's! If you have any questions, please call the contact at the top of this page.Ship ASAP

Purchase Order Total $ 138.80

INVOICING INSTRUCTIONS
1. Mail Invoices To:

ACCOUNTS PAYABLE • LIBRARY VIDEO COMPANY • P.O. BOX 580 • DEPT. A/P • WYNNEWOOD, PA 19096

EXHIBIT
tabbies
17

LIBRARY VIDEO COMPANY
OUTSTANDING EDUCATIONAL MEDIA AT BUDGET-FRIENDLY PRICES SINCE 1986
P.O. Box 580, Dept. A/P Tel: (610) 645-4000
Wynnewood, PA 19096 Fax: (610) 645-4090

FAX 1-412-922-1020

PURCHASE ORDER

PURCHASE ORDER #: 000053032

DATE	TERMS	SHIP VIA	F.O.B.	DATE REQUIRED
05/31/01	Net 60 DAYS	UPS GROUND	DESTINATION +$100	06/14/01

SHIPPING INSTRUCTIONS

JOE SHIELDS OR MELANIE VERLIN
PLAZA ENTERTAINMENT INC.
WRS FILM & VIDEO LABS INC.
100 NAPOR BLVD
PITTSBURGH, PA 15205

FUN

Ship to: LIBRARY VIDEO COMPANY
BUILDING D
1100 E. HECTOR STREET
CONSHOHOCKEN, PA 19428

AUTHORIZED BY / CONTACT MAI NGUYEN

TITLE ID NUMBER	QTY	UNIT OF MEASURE	TITLE DESCRIPTION	DATE REQUIRED	UNIT PRICE	EXTENDED AMOUNT
7062 CLAMSHELL	5		Ebenezer	06/14/01	6.7300	33.65
1751 SLEEVE	10		Giant of Thunder Mountain	06/14/01	8.9800	89.80
7080 CLAMSHELL	8		Magic Voyage, The	06/14/01	4.4775	35.82

PECIAL INSTRUCTIONS

Purchase Order Total $ 159.27

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VOICING INSTRUCTIONS

Mail Invoices To:

COUNTS PAYABLE • LIBRARY VIDEO COMPANY • P.O. BOX 580 • DEPT. A/P • WYNNEWOOD, PA 19096

05:55PM Library Video

PAGE 002 OF 002

LIBRARY VIDEO COMPANY
OUTSTANDING EDUCATIONAL MEDIA AT BUDGET-FRIENDLY PRICES SINCE 1986
P.O. Box 580, Dept. A/P Tel: (610) 645-4000
Wynnewood, PA 19096 Fax: (610) 645-4090

FAX 1-412-922-1020

Rec'd 6/18/01

PURCHASE ORDER

PURCHASE ORDER #: 000053461

DATE	TERMS	SHIP VIA	F.O.B.	DATE REQUIRED
06/15/01	Net 60 DAYS	UPS GROUND	DESTINATION +$100	06/29/01

JOE SHIELDS
PLAZA ENTERTAINMENT INC.
WRS FILM & VIDEO LABS INC.
100 NAPOR BLVD
PITTSBURGH, PA 15205

FUN

SHIPPING INSTRUCTIONS

Ship to: LIBRARY VIDEO COMPANY
BUILDING D
1100 E. HECTOR STREET
CONSHOHOCKEN, PA 19428

AUTHORIZED BY / CONTACT MAI NGUYEN

TITLE ID NUMBER	QTY	UNIT OF MEASURE	TITLE DESCRIPTION	DATE REQUIRED	UNIT PRICE	EXTENDED AMOUNT
7015 CLAMSHELL	2		Treasure Island (Animated 1997)	06/29/01	4.4775	8.95
1750 CLAMSHELL	10		Giant of Thunder Mountain	06/29/01	8.9800	89.80
7047 CLAMSHELL	3		20,000 Leagues Under the Sea	06/29/01	4.4800	13.44
7048 CLAMSHELL	3		Around the World in 80 Days	06/29/01	4.4775	13.43
7049 CLAMSHELL	5		Journey to the Center of the Earth (JVA)	06/29/01	4.4775	22.38

SPECIAL INSTRUCTIONS

Purchase Order Total $ 148.00

ease be sure and fax back our PO cover sheet to
nfirm your receipt of this PO. Indicate your
pected ship date, and inform us of any BO's. DO
T CANCEL BO's! If you have any questions, please
ll the contact at the top of this page. Ship ASAP

CING INSTRUCTIONS
l Invoices To:

S PAYABLE - LIBRARY VIDEO COMPANY • P.O. BOX 580 • DEPT. A/P • WYNNEWOOD, PA 19096

HERKLOTZ AFFIDAVIT
EXHIBIT 18

WRS MOTION PICTURE
AND VIDEO LABORATORY

P.O. Box 360043
1000 Napor Blvd.
Pittsburgh, PA 15251-6043
Phone (412) 937-7700
FAX (412) 922-1020

- MOTION PICTURE PROCESSING AND PRINTING
- VIDEO DAILIES WITH KEYCODE AND OSC/R
- VIDEO DUPLICATING • ALL FORMATS
- STANDARD CONVERSION • TAPE TO FILM
- DIGITAL FILM TO TAPE TRANSFER

DATE OF STATEMENT	SALESMAN NO.	CUSTOMER NO.
03/31/98	WRS	124217

PLAZA ENTERTAINMENT
ATTN: ERIC PARKINSON
304 N EDINBURGH
LOS ANGELES, CA 90048

INDICATE AMOUNT OF REMITTANCE

$ ____________

TERMS: Payment due 30 days from date of invoice. Past due invoices are subject to a 1½% per month interest charge which is an annual percentage charge of 18%.

INVOICE DATE	INVOICE NUMBER	CUSTOMER REFERENCE NUMBER	ORIGINAL TRANSACTION AMOUNT	CURRENT ITEMS	PAST DUE 31-60 DAYS OLD	PAST DUE 61-90 DAYS OLD	PAST DUE OVER 90 DAYS OLD
8/29/97	1146	OPEN CREDIT ON	-1645.00				-1645.00
8/31/97	7462	FINANCE CHARGE	1259.86				1259.86
9/30/97	7608	FINANCE CHARGE	1260.80				1260.80
0/31/97	7743	FINANCE CHARGE	1700.34				1700.34
1/30/97	7880	FINANCE CHARGE	1750.27				1750.27
2/31/97	8010	FINANCE CHARGE	1920.51			1920.51	
1/31/98	8142	FINANCE CHARGE	1920.51		1920.51		
2/28/98	8284	FINANCE CHARGE	1920.51		1920.51		
1/24/97	146256	PO# 4511	48068.20				44049.50
3/28/97	150931	PO# PARKINSON	52306.82				20690.00
3/28/97	150986	PO# 4511	13725.82				13725.82
4/25/97	152492	PO# EP320-1	5811.77				1799.82
4/25/97	152514	PO# PARKINSON	1030.36				517.50
5/30/97	154122	PO# PARKINSON	1311.06				287.50
5/30/97	154126	PO# PARKINSON	576.11				48.88
5/30/97	154130	PO# PARKINSON	47.24				12.50
5/30/97	154135	PO# NOAH	57.70				23.04
5/30/97	154139	PO# PARKINSON	102.85				12.50
5/30/97	154161	PO# EP520-5	2689.32				995.97
5/30/97	154165	PO# PARKINSON	537.25				537.25
5/30/97	154177	PO# EP-527-1	5709.60				2861.40
5/30/97	154252	PO#	201.79				5.75
/25/97	158023	PO# NOAH	62.50				62.50
/25/97	158024	PO# NOAH	5.81				5.81
/13/97	158889	PO# N CORNMAN	62.90				62.90
/24/97	161013	PO# N CORNMAN	132.38				132.38

REMARKS: 1

2

3

WRS MOTION PICTURE AND VIDEO LABORATORY S 102 (12/88)

STATEMENT DATE ACCUMULATED TOTALS	CURRENT	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE

TOTAL AMOUNT DUE
PLEASE PAY THIS AMOUNT

MEMBER
ACVL, AVDA, ITA, ITVA
NAPTE, SIVA, SMPTE, VSDA

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EXHIBIT
18

WRS MOTION PICTURE
AND VIDEO LABORATORY

P.O. Box 360043
1000 Napor Blvd.
Pittsburgh, PA 15251-6043
Phone (412) 937-7700
FAX (412) 922-1020

- MOTION PICTURE PROCESSING AND PRINTING
- VIDEO DAILIES WITH KEYCODE AND OSC/R
- VIDEO DUPLICATING • ALL FORMATS
- STANDARD CONVERSION • TAPE TO FILM
- DIGITAL FILM TO TAPE TRANSFER

DATE OF STATEMENT	03/31/98
SALESMAN NO.	CUSTOMER NO.
WRS	124217

PLAZA ENTERTAINMENT
ATTN: ERIC PARKINSON
304 N EDINBURGH
LOS ANGELES, CA 90048

INDICATE AMOUNT OF REMITTANCE

$ ____________

TERMS:
Payment due 30 days from date of invoice. Past due invoices are subject to a 1½ % per month interest charge which is an annual percentage charge of 18%.

INVOICE DATE	INVOICE NUMBER	CUSTOMER REFERENCE NUMBER	ORIGINAL TRANSACTION AMOUNT	CURRENT ITEMS	PAST DUE 31-60 DAYS OLD	PAST DUE 61-90 DAYS OLD	PAST DUE OVER 90 DAYS OLD
/26/97	161818	PO# EP 825-1	18760.39				18760.39
/26/97	161836	PO# EP909-1	9120.00				9120.00
/26/97	161876	PO#	1289.44				1289.44
/14/97	162350	PO#	15.50				15.50
/14/97	162360	PO# PARKINSON	1859.75				1859.75
/24/97	163461	PO# N CORNMAN	256.52				256.52
/24/97	163738	PO# N CORNMAN	587.33				587.33
/24/97	163745	PO# NC1013-1	609.50				609.50
/10/97	163880	PO# NC-1022-1	3200.00				3200.00
/24/97	164948	PO# N CORNMAN	64.84				64.84
/24/97	164950	PO# N CORNMAN	664.57				664.57
/28/97	165766	PO# NC1116-1	4281.46				4281.46
/28/97	165902	PO# VARIOUS	3138.35				3138.35
/10/98	169231	PO# NC-1152-1	236.00		236.00		
/10/98	169365	PO#	83.63		83.63		
/12/98	169502	PO# PARKINSON	160.00		160.00		

REMARKS: 1
2
3

WRS MOTION PICTURE AND VIDEO LABORATORY
102 (12/88)

STATEMENT DATE ACCUMULATED TOTALS		CURRENT	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE
	03/31/98	.00	4320.65	1920.51	134004.9[illegible]

TOTAL AMOUNT DUE PLEASE PAY THIS AMOUNT 140,246.1[illegible]

MEMBER
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NAPTE, SIVA, SMPTE, VSDA

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